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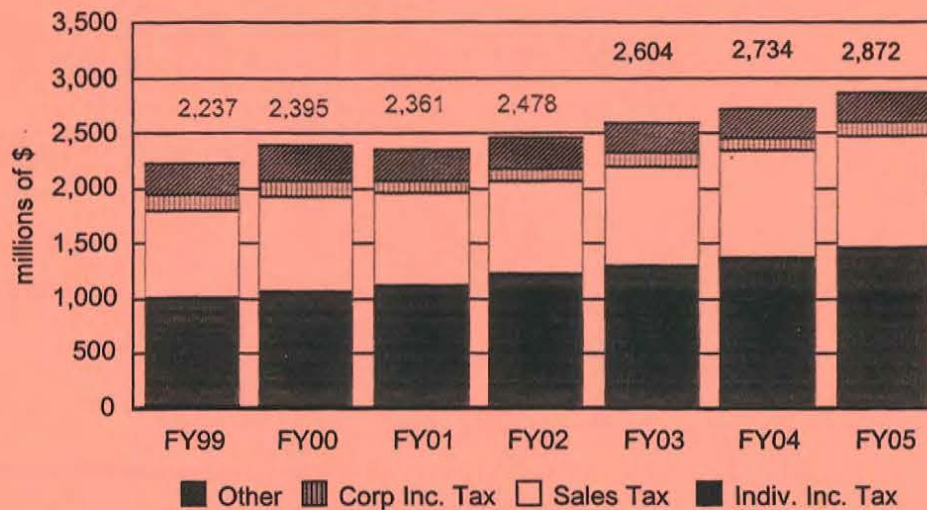
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O.F.P.R.

**REPORT OF THE MAINE STATE
REVENUE FORECASTING COMMITTEE**

December 2000

General Fund Revenues



Laurie G. Lachance, Chair
State Economist

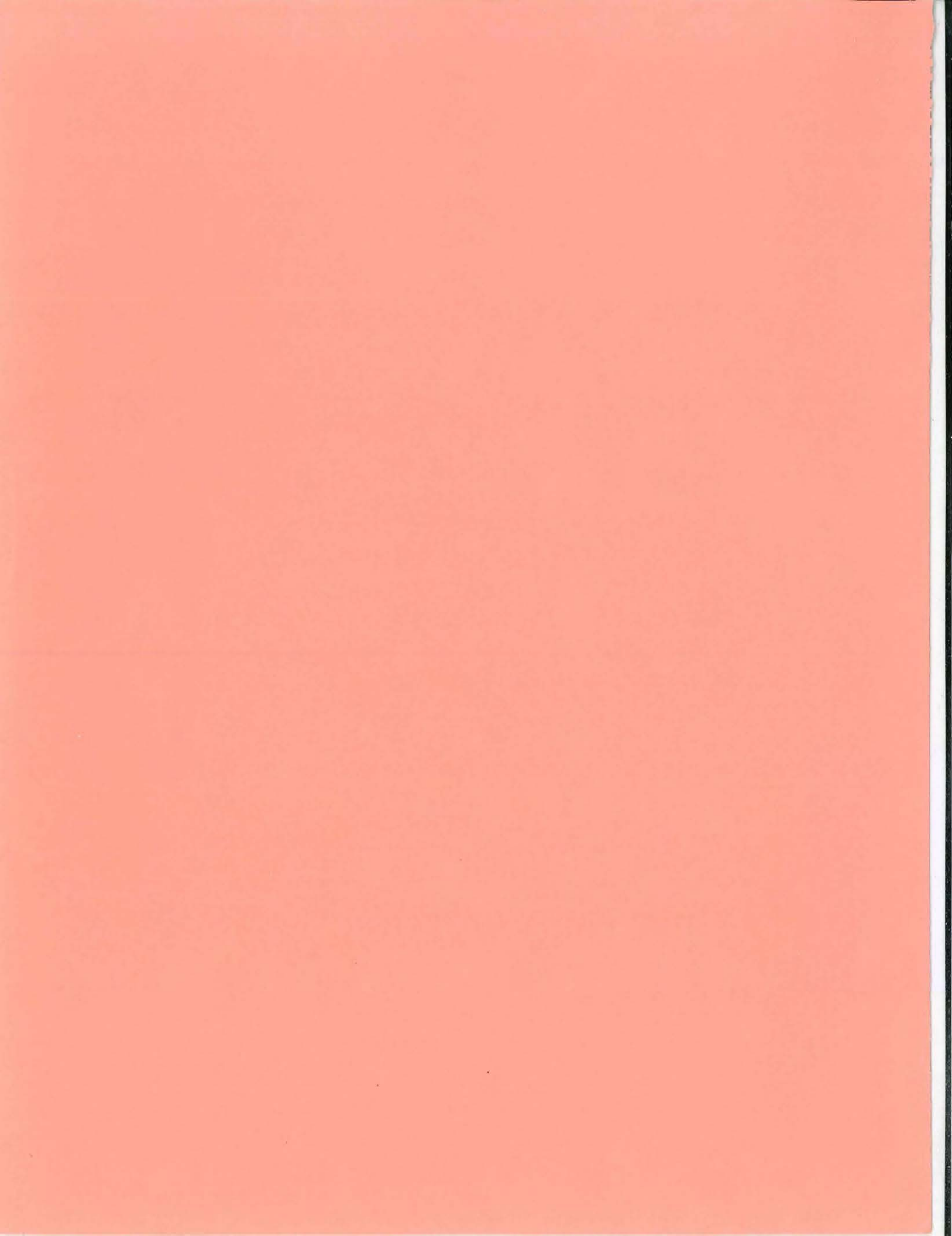
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December 6, 2000

To: Governor Angus King
President Michael H. Michaud
President Pro-tem Richard A. Bennett
Speaker Michael V. Saxl
Members, Legislative Council
Members, 120th Maine Legislature's Joint Standing Committees on:
Appropriations
Taxation
Transportation
Commissioner Janet Waldron

From: Laurie Lachance
Chair, Revenue Forecasting Committee

Re: General Fund, Highway Fund and Tobacco Fund Projections, FY01-FY05

I am forwarding to you the Maine State Revenue Forecasting Committee's projections of General Fund, Highway Fund and Tobacco Settlement Fund Revenues for FY01 through FY05. This report provides a full description of the Committee, the methodology employed in developing our forecast, and the primary economic and legal assumptions which underlie these projections.

Forecast preparation began in September with a meeting of the Consensus Economic Forecasting Commission, which is charged with developing the economic forecast that serves as a basis for the ultimate revenue projections. The Commission is forecasting solid economic growth through the forecast period with average annual personal income growth of 5.0% and average annual employment growth of 1.3%.

The Revenue Forecasting Committee met in October and again in November to examine the most recent economic outlook and to meet with nearly a dozen State Agencies which prepare revenue projections of various tax and revenue sources. The exceptional economic and capital gain activity which has propelled revenue growth since 1997 appears to have slowed, and revenue growth over the past several months is tracking the Committee's March projections fairly closely. Because of this, the Committee's upward rejections presented here are relatively minor. This report details our decision to reproject General Fund revenues upward in FY01 by \$14.9 million and by \$30 million for the 2002-2003 biennium (a 0.6% change).



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After reviewing the Highway Fund projections with both the Secretary of State's Office and the Maine Revenue Services' Staff, the Committee adopted a fairly significant upward revision of \$8.2 million for FY01 and \$8.5 million and \$10.2 million in the following two fiscal years (a 3%-4% annual increase over the prior forecast).

The Revenue Forecasting Committee believes that the greatest risk to the General Fund Revenue projections presented here is the extent to which taxable retail sales slow over the upcoming year. One-third of Maine's Sales Taxes are derived from the sales of automobiles and building supplies, both of which are extremely volatile and both of which have shown significant slowing in 2000. Although the growth is consistent with the assumptions underlying our forecast thus far, further erosion of these revenue sources will put the forecast at risk.

While the Revenue Forecast Committee believes that the projections contained in this report are our very best estimates given the current economic conditions and forecast, we have every intention of reviewing our estimates in early 2001 to determine if the economic conditions are actually evolving as we had assumed.

If you have any questions about this report or the work of the Revenue Forecasting Committee, please do not hesitate to call me at 287-1479.

cc: Revenue Forecasting Committee
Consensus Economic Forecasting Commission
Evan Richert
Jim Clair
Kay Rand

REPORT OF THE MAINE STATE
REVENUE FORECASTING COMMITTEE

December 2000

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I. EXECUTIVE SUMMARY

This report summarizes the Maine State Revenue Forecasting Committee's review and reprojection of General Fund and Highway Fund revenues for FY 2001 through FY 2003 and provides a first-time forecast of FY 2004 and 2005 revenues for these two funds as well as a projection of anticipated revenues from the Tobacco Settlement. As Table 1 highlights and this report details:

- The Consensus Economic Forecasting Commission met in September and reported that their forecast of underlying economic activity has not changed dramatically from their January 2000 projections. They did adjust their employment projections upward for 2000 (from 1.7% to 2.5%) to reflect current job performance, however, the Commission's employment forecast in the out years remained in the 1.1-1.3% range as minimal statewide population increases and extremely tight labor market conditions in southern Maine constrain employment growth in the years ahead. The Commission revised personal income growth to 5.5% for 2000 and 2001 and 5.0% thereafter. Inflation estimates were set at 2.5% through the forecast period.
- **During calendar year 2000, the Maine economy and state revenues have been consistent with the February 2000 economic and revenue forecasts. As a result, the Revenue Forecasting Committee recommends a fairly small upward revision in General Fund Revenues of \$14.9 million in FY01 and \$30.0 million for the 2002-2003 biennium. Most of the upward revision can be attributed to the Other Revenue line. This revision represents a 0.6% change to the biennial estimates.**
- Although the Revenue Forecasting Committee does not explicitly forecast municipal revenue sharing, changes in the Sales, Individual Income and Corporate Income Tax lines do have implications for Revenue Sharing projections. In this forecast cycle, the downward revision in the Individual Income Tax line balanced the upward revision of the Sales Tax and the Corporate Tax lines, thus minimizing the municipal share. Unlike previous revisions, the lines driving the General Fund upward reprojection are Cigarette and Tobacco Taxes, Insurance Companies Taxes and the Other Revenue line, none of which impact municipal revenue sharing.
- **After reviewing the Highway Fund projections with both the Secretary of State's Office and the Maine Revenue Services' staff, the Committee adopted a fairly significant upward revision of \$8.2 million for FY01 and \$8.5 million and \$10.2 million in the following two years (a 3% - 4% annual increase over the prior forecast).**

- The Committee's forecasts are highlighted below in Table 1.

TABLE 1

Projections for Major Revenue Funds
(millions of dollars)

	FY2001	FY2002	FY2003	FY2004	FY2005
General Fund	\$2,361	\$2,478	\$2,604	\$2,734	\$2,872
Highway Fund	\$ 264	\$ 267	\$ 270	\$ 270	\$ 272
Tobacco Settlement	\$ 48	\$ 58	\$ 58	\$ 51	\$ 52

- The State Treasurer presented her most recent forecast of Tobacco Settlement monies, which had been revised slightly downward since our meeting with her in February of 2000. The Committee reviewed and discussed these projections with both the State Treasurer and the Attorney General's Office before adopting the forecast shown above (and shown in some detail in Table 5, page 15).
- **While neither a recession nor a major stock market correction is anticipated in the near term, the Committee respectfully reminds policy makers that the revenue growth which we have experienced since Fiscal Year 97 is due in large part to the interaction of exceptionally strong economic growth and historic levels of capital gains realization with the state's highly elastic tax structure. The Committee does not expect excessive revenue growth to continue into FY01.**
- In addition to the risk associated with business cycles, the fact that access to the stock market has become more available to a larger portion of our population now makes Maine's tax revenues increasingly subject to stock market swings. For three tax years, Maine's capital gain growth outpaced US activity, growing by 45% in Tax Year 96, 52.4% in Tax Year 97 and 27.3% in Tax Year 98. The assumption underlying this forecast is that Maine's capital gains growth will slow significantly, bringing it back in line with historical experience.
- **The Committee believes that the greatest risk to the General Fund Revenue projections presented here is the extent to which taxable retail sales slow over the upcoming year. One third of Maine's Sales Taxes are derived from the sales of automobiles and building supplies, both of which are extremely volatile and both of which have shown significant slowing in 2000. Although this growth is consistent with the revenue forecast thus far, further erosion of these revenue sources will put the forecast at risk. The Committee intends to monitor sales tax revenues closely and will reconvene in early February to reexamine this revenue source and, if necessary, revise the forecast.**

II. OVERVIEW

A. Background of the Revenue Forecasting Committee

The Revenue Forecasting Committee was established by Governor John R. McKernan, Jr. on May 25, 1992 by Executive Order 14 FY91/92 in order to provide the Governor, the Legislature, and the State Budget Officer with an analysis and recommendations related to the projection of General Fund and Highway Fund revenue. Its creation was in response to a recommendation by the Special Commission on Government Restructuring. Committee membership originally included the State Budget Officer, the State Tax Assessor, the State Economist, the Director of the Office of Fiscal and Program Review, and an economist on the faculty of the University of Maine System selected by the Chancellor.

The original Executive Order calls upon the Revenue Forecasting Committee to submit recommendations for State revenue projections for the upcoming fiscal biennium, as well as adjustments to current biennium General Fund and Highway Fund revenue estimates. In accomplishing its task, the Committee is directed to utilize the economic assumptions developed by the Consensus Economic Forecasting Commission.

In 1995, PL 1995, c. 368 enacted in statute the Consensus Economic Forecasting Commission and the Revenue Forecasting Committee, adopting both the structure and the intent of the original Executive Order.

Public Laws of 1997, chapter 655 enacted a number of changes to Title 5, chapter 151-B. There were three major changes: first, the revenue projections developed by the Committee will no longer be advisory but the actual revenue projections to be used by the Executive Branch in setting budget estimates and out-biennium forecasts; second, the State Budget Officer was empowered to convene a meeting of the Committee to review any new data that might become available; and third, the Committee was expanded from five to six members, with the sixth member being an analyst from the Office of Fiscal and Program Review designated by the Director of that office.

B. Methodology

Both the General Fund and the Highway Fund revenue projections are actually an aggregation of several individual revenue line forecasts. There are over two dozen revenue lines which comprise total General Fund revenue and a half dozen components which sum to total Highway Fund revenues. Since each of these individual revenue lines is distinctly different in terms of size (and thus relative importance to total revenue) and factors that influence growth (such as tax law, economic growth, interest rates, size of

lottery jackpot, number of patrolmen, etc.), the Committee uses different approaches for evaluating various revenue line forecasts.

In order to ensure that the Committee's review process is as efficient and effective as possible, it divides its revenue line review into three parts:

- Major revenue lines directly tied to economic activity
- Major revenue lines tied to other "non-economic" factors
- Minor revenue lines

In general, major revenue lines directly tied to economic activity are forecast using econometric equations. These equations define a mathematical relationship between historical revenue growth and relevant economic trends, then project revenue growth based on the defined relationship and expected future performance of the economic variable chosen. For example, revenues derived from the collection of individual income tax are very closely tied to growth in Maine personal income. Thus, an equation is estimated that defines income tax revenue in terms of personal income (and other relevant variables), then the forecast of personal income growth in Maine is used to estimate future income tax collections. The Revenue Forecasting Committee then reviews the equation, the underlying economic assumptions and the overall revenue forecast level to ensure that they are logical and plausible given our knowledge of current economic conditions and revenue growth. It is the Committee's understanding, and truly the spirit of "consensus forecasting", that model results need not be blindly accepted and should be closely examined.

Both the major revenue lines tied to other "non-economic" factors and the minor revenue lines are generally prepared by the department or agency responsible for collecting the particular revenue stream. Their experience with and expertise in tracking revenue growth is used in place of an equation to project future revenue activity. For example, the level of participation in Maine's lottery is not easily or clearly tied to any particular economic indicator, like income or employment. Revenue derived from lottery ticket sales can, however, be projected based on past lottery sales and the likelihood of a large jackpot occurring within a twelve month period. Therefore, the Department of Administrative and Financial Services reviews past lottery trends and estimates the lottery's revenue performance over the upcoming biennium. Additional factors which are reviewed by the Committee include the projected Cost of Goods Sold and Administrative Expense to arrive at an estimated Net Profit to be transferred to the General Fund. The Revenue Forecasting Committee then reviews their forecast to ensure that their logic is sound and to ensure that this particular line forecast is consistent with expectations for other revenue lines.

When preparing a formal review of the biennial budget to decide if revisions are necessary, the Revenue Forecasting Committee uses a similar, though streamlined, process. As this report explains in greater detail, the reprojections put forth in this report

are the result of a thorough review of the major revenue lines that, as of the end of the first full quarter of FY00, varied significantly from their original budget.

C. Underlying Assumptions

1. Current Tax Law

The Revenue Forecasting Committee bases all revenue projections on current tax law. The Committee does not attempt to second-guess how the law may be changed during the upcoming legislative session.

Since the time that the Revenue Forecasting Committee last met in February of 2000, major tax changes were enacted that significantly alter our original revenue estimates. Changes to the Sales and Use Tax and to the Individual Income Tax directly impact the General Fund. The tax changes and their relative values are as follows:

Sales and Use Tax – Effective January 1, 2001, the sales tax on snack foods enacted during the budget crisis of the early 1990s is repealed. The estimated reduction in sales tax revenue is \$7.5 million in FY01 and \$16 million in each year of the next biennium.

Individual Income Tax – There were a number of changes to the individual income tax during the last legislative session. The change with the most impact on General Fund revenue was the exclusion of the first \$6,000 of public and private pension income. The pension exemption is effective for tax years beginning on or after January 1, 2000. The estimated reduction in individual income tax revenue is \$21 million in FY01 and \$17 million in each year of the next biennium. In addition to the pension exemption the Legislature also enacted a state Earned Income Tax Credit (EITC) and a procedure for indexing the individual income tax brackets. The EITC law will reduce General Fund revenue by approximately \$1 million per year, starting with FY01. The indexing of the income tax brackets will not begin until the 2003 tax year, however an adjustment to the brackets will be made in the 2002 tax year. It's estimated that the changes to the income tax brackets will reduce General Fund revenue by \$1.5 million in FY02 and \$6.5 million in FY03.

2. Consensus Economic Forecasting Commission

As directed by the originating Executive Order and the subsequent statute, the Committee closely examined the economic assumptions developed by the Consensus Economic Forecasting Commission. Economic assumptions were used by the Committee in two ways. First, projected employment, income, interest rates and inflation changes were used directly in the sales and income tax revenue estimating models maintained and operated by the Maine Revenue Service. Second, Committee members assessed revenue trends predicted by models and by other agencies against economic expectations offered by the Consensus Economic Forecasting Commission.

The Consensus Economic Forecasting Commission met September 12, 2000 to prepare the economic assumptions that would become the basis of the Revenue Committee's revenue reprojections. Given that Maine's economic well being is so highly dependent on national economic activity, the Commission examined national economic trends and projections as well as state economic trends in preparing their forecast.

Shortly after the September 12th meeting, the federal Bureau of Economic Analysis (BEA) revised its personal income estimates for Maine downward for the year 1999. As a result, the Consensus Economic Forecasting Commission reconvened (electronically) during the last week of October and, ultimately, decided to revise its personal income growth forecast for 2000 from 6.0% to 5.5 %. The Revenue Forecasting Committee directly adopted the Economic Commission's final forecast and incorporated these assumptions into our revenue forecasting models. The major economic growth assumptions underlying the revenue projections presented in this report are as follows:

TABLE 2

MAJOR UNDERLYING ECONOMIC ASSUMPTIONS

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
ME Wage & Salary Employment	2.5%	1.1%	1.3%	1.3%	1.3%	1.3%
ME Personal Income (Nominal)	5.5% *	5.5%	5.0%	5.0%	5.0%	5.0%
U.S. Consumer Price Index	3.0%	2.5%	2.5%	2.5%	2.5%	2.5%

*Revised from 6.0% to 5.5% based on the Bureau of Economic Analysis Revision of Personal Income released in October 2000.

The members of the Consensus Economic Forecast Commission are listed below:

Charles Colgan, Chair - Muskie Institute
Leon Bien - L.J. Bien Associates
1 Vacancy

Michael Donihue - Colby College
John Davulis - Central Maine Power Co.

III. FY2001 THROUGH FY2005 REVENUE PROJECTIONS

The Tables that follow include the complete detail of the Revenue Forecasting Committee's Reprojection of General Fund and Highway Fund revenues for FY01-FY03, as well as our first time projections of FY04 and FY05. Table 3 (page 13) contains the General Fund projections, Table 4 (page 14) provides the Highway Fund estimates. Table 5 (page 15) is the most current forecast of Tobacco Settlement monies. The paragraphs below explain the Committee's decision to reproject various revenue lines for the period FY01-FY03. The FY04 and FY 05 projections can be found in Tables 3-5.

Please note, although the Revenue Forecasting Committee does not explicitly forecast municipal revenue sharing, changes in the Sales, Individual Income and Corporate Income Tax lines do have implications for Revenue Sharing.

A. General Fund (net of Revenue Sharing)

REPROJECTION	FY01	+\$14.9 million
	FY02	+\$13.4 million
	FY03.	+\$16.5 million

The Committee recommends that General Fund revenues be reprojected upward in each of the three years FY01-FY03. As TABLE 3 shows, virtually all of the major revenue lines were revised either upward or downward by over a million dollars. Highlights of the Committee's discussions on each of these revenue lines follow:

Sales and Use Tax :

REPROJECTION	FY01	+\$17.6 million
	FY02	+\$13.3 million
	FY03	+\$15.2 million

The Revenue Forecasting Committee discussed taxable retail sales trends and the resulting Sales Tax revenue collections at length during its meetings on October 24th and November 7th. Although Sales Tax collections were slightly above forecast for fiscal

year-end 2000 and 3.7% over budget through the first quarter of FY01, virtually all of the taxable retail sales lines have slowed considerably (see Appendix B).

The Committee's upward reprojection of \$17.6 million in FY01 is primarily due to a one-time windfall resulting from an accrual adjustment. The small upward adjustments for FY02 and FY03 are due to 2 factors. First, sales tax revenue collections through the first quarter of FY01 are running \$6.1 million (3.7%) above budget. In addition, the new, somewhat higher forecast of personal income growth in Maine was used to estimate the Maine Revenue Service Sales Tax Model and produced slightly higher growth rates than had been originally anticipated through FY03. The result is an upward revision in each of the upcoming 3 fiscal years.

While strong historical performance and changes in personal income cause a slight upward reprojection in overall sales tax collections at this time, the Committee will be tracking taxable retail sales very closely over the next quarter to determine if a re-forecast will be necessary. Particular attention will be paid to automobile sales which represent 21% of total taxable sales and which have shown a marked slowdown during calendar 2000.

Individual Income Tax :

REPROJECTION	FY01 (\$ 9.9) million
	FY02 (\$16.0) million
	FY03 (\$12.0) million

According to the State Controller's Report, Individual Income Tax receipts in FY 2000 were 2.2% (or \$24 million) **under** budget. The Maine Revenue Service believes that the main reason for this deficit is lower than estimated tax year 1999 nonresident liability. In addition, efficient processing of 1999 tax returns resulted in refunds forecasted to be made in FY01 to be issued in FY00. The lower than estimated FY00 individual income tax receipts results in a downward adjustment for future years of approximately \$20 million.

Since the last official revenue projections were published in March, the forecast of personal income growth for Maine has been revised slightly upward, which would suggest that Maine would see higher income tax collections of \$7-\$9 million annually. The additional revenues anticipated from stronger personal income growth are not enough to offset the downward adjustment because of lower than expected FY00 revenues. These adjustments lead to an overall downward reprojection in each Fiscal Year 01-03.

Corporate Income Tax:

REPROJECTION	FY01 +\$0.8 million
	FY02 +\$1.4 million
	FY03 +\$0.6 million

Corporate Income Tax receipts during FY 2000 were above original budget levels (up 3.9% or \$5.7 million). However, FY01 year-to-date September Corporate Income Tax revenues are \$1.2 million **below** the original FY 2001 budget. Maine Revenue Services has recommended a small upward revision through the next biennium but has also suggested that the Revenue Forecasting Committee watch this line very closely over the next few months. The year-to-date negative variance is, they believe, due to the timing of certain large returns and refunds.

Cigarette and Tobacco Tax:

REPROJECTION	FY01	+\$2.7 million
	FY02	+\$2.9 million
	FY03	+\$1.6 million

Cigarette and Tobacco Tax collections were \$2.5 million (3.4%) above revenue projections for FY00 and have been running ahead of forecast through the first quarter of FY01 as well. The stronger than anticipated performance of this line as well as the trend towards other tobacco products leads to this upward reprojection.

Public Utilities Tax:

REPROJECTION	FY01	+\$0.4 million
	FY02	+\$0.7 million
	FY03	+\$1.0 million

The fact that Public Utility Taxes were 7.2% over budget during FY00 has led to this upward reprojection. The fact that year-to-date September performance has been below expectations has led to the relatively small size of the upward projection.

Insurance Companies Tax:

REPROJECTION	FY01	+\$3.5 million
	FY02	+\$7.2 million
	FY03	+\$5.1 million

Recent changes in Maine's insurance market are expected to increase the insurance premiums tax collections over the next few years.

Estate Tax:

No Revision Recommended at This Time

Property Tax - Unorganized Territories:

REPROJECTION	FY01	+\$0.0 million
	FY02	+\$0.9 million
	FY03	+\$1.2 million

The upward revision in Property Taxes in the Unorganized Territories is because of increased costs associated with education in the unorganized territories.

Income from Investments:

REPROJECTION	FY01	(\$6.9) million
	FY02	(\$6.9) million
	FY03	(\$6.9) million

The large, unexpected surplus through FY00 led to abnormally large cash balances and, ultimately, to a significant increase in Income from Investments. The actions of both the Executive and Legislative branches which spend down that surplus have, in turn, reduced the cash balances. These lower cash balances will result in lower earnings on investment going forward.

Transfer From Liquor Commission :

REPROJECTION	FY01	+\$1.0 million
	FY02	+\$1.7 million
	FY03	+\$2.1 million

Sizable upside variances in FY00 and during the first quarter of FY01 along with the new flexible pricing scheme have led to this upward revision.

Transfer From Lottery Commission:

REPROJECTION	FY01	(\$0.0) million
	FY02	(\$1.2) million
	FY03	(\$1.2) million

Erosion of the instant game sales and the fact that lottery revenues are running slightly below budget for the first quarter of FY01 have led to the downward revision of this forecast.

Other Revenues :

REPROJECTION	FY01	+\$6.2 million
	FY02	+\$9.4 million
	FY03	+\$9.9 million

The upward revision of Other Revenues is due to the relative strength of a number of lines including real estate transfers, judicial fines, and securities agents registrations. Through September 2000, the Other Revenue tax line was \$29.2 million over budget, which represents a 13.5% variance from budget.

B. Highway Fund

REPROJECTION	FY01	+\$ 8.2 million
	FY02	+\$ 8.5 million
	FY03	+\$10.2 million

Over half of the upward adjustments to the Highway Fund are in the Motor Vehicle Registrations and Fees line. According to the Secretary of State's Office, commercial vehicle registration is very strong due to a combination of factors including relatively strong economic conditions and an international registration program which 2 Canadian provinces are joining. Title fees have also been running ahead of forecast, another show of strong economic activity.

Another factor contributing to the upward revision of the Highway Fund is the Fuel Tax line, which finished the year (FY00) \$3.5 million or 2% over budget. Of the \$1.3 million adjustment in FY01, \$435,000 was an accrual adjustment. The model projects approximately 1% growth per year in the gas tax and 3% growth per year in the special fuel tax (diesel) through 2005. Total fuel tax growth is projected to be 1.4% -1.5% per year through 2005.

C. Tobacco Settlement

The Revenue Forecasting Committee has not, historically, projected Tobacco Settlement Revenues. Because the State Treasurer has developed significant expertise in the flow of funds into Maine from the settlement, the Committee has asked that the State Treasurer's Office present their projections to our Committee at each of our major forecast meetings. The Committee will then review and adopt an official forecast of these funds and will report to the Governor and the Legislature on expected revenue streams from this source from this point forward.

During the first year of the Master Settlement Agreement, Maine received three payments totaling over \$62.9 million - slightly more than the original projection of \$62.7 million. Payments were deposited into the Fund for a Healthy Maine and invested in the Treasurer's Cash Pool. In July of 2000, 10% of the payments were moved to the Trust Fund as authorized by the Legislature pursuant to 22 MRSA §1511-1512. The Trust Fund for a Healthy Maine is a nonexpendable fund and therefore can be invested in a manner that will take advantage of the longer time horizon.

Maine will receive two payments in fiscal year 2001: one on January 10, 2001 and one on April 15, 2001. Treasurer of State Dale McCormick's estimates for these future payments, and for the earnings to this fund can be seen in Table 5.

Revenue Forecasting Committee Recommended Revenue Projections
General Fund Revenue
As Adjusted by OFPR & Bureau of the Budget - 11/13/00

Source	FY00 Actual	FY01 Budget	Recom. Chg.	FY01 Reproject	FY02 Budget	Recom. Chg.	FY02 Reproject	FY03 Budget	Recom. Chg.	FY03 Reproject	FY04 Recom.	FY05 Recom.
Sales and Use Tax	\$847,355,132	\$815,578,103	\$17,621,897	\$833,200,000	\$847,618,160	\$13,281,840	\$860,900,000	\$892,137,814	\$15,192,186	\$907,330,000	\$956,400,000	\$1,008,500,000
Individual Income Tax	\$1,074,621,614	\$1,131,245,580	(\$9,931,421)	\$1,121,314,159	\$1,223,914,126	(\$15,992,309)	\$1,207,921,817	\$1,306,447,691	(\$11,967,830)	\$1,294,479,861	\$1,379,611,506	\$1,468,046,018
Corporate Income Tax	\$150,045,645	\$112,742,179	\$806,252	\$113,548,431	\$114,771,225	\$1,403,661	\$116,174,886	\$116,112,648	\$599,130	\$116,711,778	\$116,718,763	\$117,315,386
Cigarette and Tobacco Tax	\$78,343,171	\$74,791,630	\$2,674,375	\$77,466,005	\$74,002,650	\$2,945,005	\$76,947,655	\$74,691,827	\$1,639,519	\$76,331,346	\$75,717,130	\$75,105,058
Public Utilities Tax	\$15,786,931	\$29,400,000	\$400,000	\$29,800,000	\$29,400,000	\$700,000	\$30,100,000	\$28,325,926	\$974,074	\$29,300,000	\$28,400,000	\$27,500,000
Insurance Companies Tax	\$42,698,686	\$36,499,839	\$3,493,795	\$39,993,634	\$36,139,241	\$7,242,615	\$43,381,856	\$35,782,248	\$5,141,755	\$40,924,003	\$41,946,028	\$42,993,604
Estate Tax	\$58,803,666	\$32,753,971	\$0	\$32,753,971	\$34,410,766	\$0	\$34,410,766	\$36,137,472	\$0	\$36,137,472	\$37,944,346	\$39,841,563
Property Tax - Unorg. Territory	\$9,333,204	\$9,213,301	\$0	\$9,213,301	\$8,352,274	\$860,266	\$9,212,540	\$8,557,218	\$1,221,474	\$9,778,692	\$10,398,925	\$10,986,171
Income from Investments	\$20,312,457	\$23,926,086	(\$6,926,086)	\$17,000,000	\$23,926,086	(\$6,926,086)	\$17,000,000	\$23,926,086	(\$6,926,086)	\$17,000,000	\$17,000,000	\$17,000,000
Transfer to Mun. Rev. Sharing	(\$105,673,142)	(\$105,037,859)	(\$433,333)	(\$105,471,192)	(\$111,501,479)	\$66,647	(\$111,434,832)	(\$118,049,606)	(\$194,998)	(\$118,244,604)	(\$125,089,244)	(\$132,286,932)
Transfer from Liquor Comm.	\$23,226,758	\$20,477,758	\$1,000,000	\$21,477,758	\$20,493,439	\$1,696,425	\$22,189,864	\$20,493,439	\$2,119,761	\$22,613,200	\$22,613,200	\$22,613,200
Transfer from Lottery Comm.	\$38,138,174	\$37,975,384	\$0	\$37,975,384	\$37,975,384	(\$1,212,982)	\$36,762,402	\$37,975,384	(\$1,165,473)	\$36,809,911	\$36,809,911	\$36,809,911
Other Revenues	\$142,224,510	\$126,851,637	\$6,182,129	\$133,033,766	\$124,659,059	\$9,356,976	\$134,016,035	\$124,961,938	\$9,904,239	\$134,866,177	\$135,850,572	\$137,677,216
Total General Fund Revenue	\$2,395,216,806	\$2,346,417,609	\$14,887,608	\$2,361,305,217	\$2,464,160,931	\$13,422,058	\$2,477,582,989	\$2,587,500,085	\$16,537,751	\$2,604,037,836	\$2,734,321,137	\$2,872,101,195

HIGHWAY FUND REVENUE FORECAST CHARTS

AS ADJUSTED BY OFFR PENDING REVIEW BY COMMITTEE

11/3/2010 2:00PM

SOURCE	FISCAL YEAR 00		FISCAL YEAR 01			FISCAL YEAR 02			FISCAL YEAR 03			FISCAL YR 04	FISCAL YR 05
	BUDGET	ACTUAL	BUDGET	PROP. CHNG	BUDGET	BUDGET	PROP. CHNG	BUDGET FORECAST	BUDGET	PROP. CHNG	BUDGET FORECAST	BUDGET PROJECTION	BUDGET PROJECTION
Fuel Tax	171,240,123	174,691,255	176,311,407	1,323,199	177,634,606	178,261,803	1,614,541	179,876,344	180,249,278	2,228,829	182,478,107	185,079,888	187,881,687
Motor Vehicle Registrations & Fees	66,491,998	74,079,566	67,871,292	4,484,738	72,356,030	68,381,831	4,919,394	73,301,225	68,220,254	5,915,206	74,135,460	72,184,164	72,093,191
Inspection Fees	2,385,034	2,625,496	2,389,799	32,146	2,421,945	2,394,902	70,452	2,465,354	2,400,057	80,543	2,480,600	2,488,596	2,496,709
Income from Investments	1,440,000	3,997,979	1,440,000	2,000,000	3,440,000	1,440,000	1,560,000	3,000,000	1,440,000	1,560,000	3,000,000	1,500,000	1,500,000
Other Revenues	7,506,360	7,524,642	7,653,239	350,147	8,003,386	7,771,497	377,651	8,149,148	7,888,377	384,131	8,272,508	8,349,300	8,427,632
TOTAL HIGHWAY FUND REVENUES	249,063,515	262,918,938	255,665,737	8,190,230	263,855,967	258,250,033	8,542,038	266,792,071	260,197,966	10,168,709	270,366,675	269,601,948	272,399,219

OFPR

11/08/2000

g:\ofpr\tobacco\revenue\estimates.xls

REVENUE ESTIMATES: Tobacco Settlement

Fiscal Year	11/00 RFC Estimate ¹		2/00 RFC Estimate ²		Variance/Reprojection
	Annual	Biennial	Annual	Biennial	Annual
1999-00	\$62,963,739		\$63,779,219		(\$815,480)
2000-01	\$47,974,269	\$110,938,008	\$47,858,671	\$111,637,890	\$115,598
2001-02	\$57,530,718		\$57,983,737		(\$453,019)
2002-03	\$58,290,987	\$115,821,705	\$58,848,418	\$116,832,155	(\$557,431)
2003-04	\$51,043,367		\$51,703,870		(\$660,503)
2004-05	\$51,608,274	\$102,651,641	\$52,475,463	\$104,179,333	(\$867,189)

Notes: ¹ See State Treasurer's 10/19/00 memo and 10/2/00 presentation to the RFC; Based on WEFA 7/21/00 Report
FY1999-00 does not include \$212,904 received to reimburse Attorney General

² See State Treasurer's 12/99 presentation to the RFC; Based on Paine Webber's
"middle assumption" (between WEFA's 10/99 estimate & Moody's 11/98 estimate.

Estimates do not include interest earnings:

1999-00	\$1,604,300	Actual	
2000-01	\$325,836	Treasurer's Office Projection	\$913,711 earned Y-T-D in FY 01
2001-02	\$383,192	Treasurer's Office Projection	
2002-03	\$388,256	Treasurer's Office Projection	
2003-04	\$305,409	Treasurer's Office Projection	
2004-05	\$308,790	Treasurer's Office Projection	

V. CONCLUSION

While strong economic activity has driven a solid baseline growth in revenues in recent years, the surge in revenue collections that the State of Maine has experienced in recent years is due in large part to the highly elastic nature of our tax structure and to extremely high growth in capital gains. During calendar 2000, the factors that have driven revenues over the past two years have abated. Stock market activity has cooled, the one-time sale of a number of Maine's large companies is behind us and retail sales activity has slowed considerably. All of these changes are consistent with our March 2000 forecast. As a result, the Revenue Forecasting Committee, in its recent deliberations, made only minor upward adjustments to the overall outlook for General Fund Revenues. While these reprojections add \$30 million to the upcoming biennium, this change represents a tiny 0.6% addition to the biennial budget of \$5 billion.

APPENDIX A

Consensus Economic Forecasting Commission




MAINE STATE LEGISLATURE
OFFICE OF FISCAL AND PROGRAM REVIEW

5 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0005
Telephone: (207) 287-1635
FAX: (207) 287-6469

October 4, 2000

TO: Members, Legislative Council
Members, Joint Standing Committee on Appropriations & Financial Affairs
Members, Joint Standing Committee on Taxation
Members, Joint Standing Committee on Transportation

FROM: Jim Clair, Director 

RE: Summary of the 9/12/00 Consensus Economic Forecasting Commission Meeting

The Consensus Economic Forecasting Commission (CEFC) met on September 12, 2000. The CEFC's findings and recommendations were finalized on September 20th and presented to the Revenue Forecasting Committee on October 2nd. Attached are several summaries of their findings and recommendations. Attachments A and B were put together by Grant Pennoyer of this office who attended the meeting. Attachments D and E were presented to the Revenue Forecasting Committee by the State Planning Office. Attachments C and E provide histories of the CEFC's forecasts over the years.

You may recall that the CEFC's previous forecast projected a slowing of economic growth in calendar year 2000. As in the recent past, the expected slowdown has yet to occur. The CEFC's 9/2000 projections once again have pushed out the expected slowdown in economic growth, now projected for calendar year 2001. As with the last 2 forecasts, this CEFC forecast projects more variables and more detail for certain components, such as personal income, in response to a request of Maine Revenue Services to provide better guidance on the variables required as inputs for its new tax models. Attachments B and D summarize the detailed forecasts.

Please recall that the Revenue Forecasting Committee has scheduled 4 meetings in October to establish General Fund and Highway Fund revenue estimates for the 2002-2003 biennium, establish projections for the 2004-2005 biennium and review revenue estimates for fiscal year 2000-01. At this point, it is too early to determine the effect of this revised economic forecast on these pending revenue discussions. While the changes to the aggregate numbers on Attachment A seem generally positive, the impact of the detailed forecast (see Attachment B) when it is entered into the tax models is less clear, particularly in light of the reductions in the wage and salary component of personal income. The Revenue Forecasting Committee, on which Grant and I serve, will be evaluating the output from the Maine Revenue Services' tax models along with other information pertinent to the revenue forecast. We will keep you informed of the outcome of the October meetings.

Please call or stop by if you have any questions or need additional information.

attachments

cc: Members, Revenue Forecasting Committee
OFPR staff

Consensus Economic Forecasting Commission

Recommendations - Sept. 1998 vs. Jan. 1999 vs. Nov. 1999 vs. Jan. 2000 vs. Sept. 2000

<u>Calendar Years</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
• W&S Employment (Annual Percentage Change)								
> Consensus 9/98	1.6	1.0	1.0	1.1	1.2	1.2		
> Consensus 1/99	2.0	1.5	1.3	1.1	1.2	1.2		
> Consensus 11/99	2.9	2.5	1.1	1.3	1.3	1.3		
> Consensus 1/2000	2.9	2.6	1.7	1.3	1.3	1.3		
> Consensus 9/2000	2.8	2.9	2.5	1.1	1.3	1.3	1.3	1.3
• Personal Income (Annual Percentage Change)								
> Consensus 9/98	5.5	5.2	5.4	5.4	5.4	5.4		
> Consensus 1/99	5.0	5.0	5.1	5.1	5.2	5.2		
> Consensus 11/99	5.1	5.0	4.8	5.0	5.0	5.0		
> Consensus 1/2000	5.1	5.0	5.0	4.8	4.8	5.0		
> Consensus 9/2000	5.1	6.2	6.0	5.5	5.0	5.0	5.0	5.0
• CPI (Annual Percentage Change)								
> Consensus 9/98	1.7	2.8	2.8	3.0	3.0	2.9		
> Consensus 1/99	1.7	2.8	2.8	3.0	3.0	2.9		
> Consensus 11/99	1.6	2.2	2.5	2.5	2.5	2.5		
> Consensus 1/2000	1.6	2.2	2.5	2.5	2.5	2.5		
> Consensus 9/2000	1.6	2.2	3.0	2.5	2.5	2.5	2.5	2.5

(Note: Amounts in italics and boxes represent actuals; shaded amounts represent significant changes.)

Other Notes/Highlights:

General Items:

> Oil prices are a concern; New England may be facing minisupply shocks for years to come.

Employment Growth:

> BIW strike will hold down work force growth, but it is assumed that BIW workers will be employed elsewhere

Personal Income:

> Personal income growth for the 1st Quarter of 2000 was 6.5%

The CEFC forecast the major aggregate variables summarized above and deferred to the State Planning Office to present the CEFC with the more detailed forecast required for the Maine Revenue Services model (see Attachment B). That detailed forecast was approved 9/20/00.

Maine Revenue Services Model - Model Inputs
--

<u>Calendar Years</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
	<u>Annual Growth Rates</u>						
W&S Employment (Growth Rate)							
Total - Non-farm Wage & Salary Employment							
9/2000 CEFC	2.9	2.5	1.1	1.3	1.3	1.3	1.3
1/2000 CEFC	2.6	1.7	1.3	1.3	1.3	N/A	N/A
Difference	0.3	0.8	-0.2	0.0	0.0		
W&S Employment (Growth Rate) - Industry Detail CEFC 9/2000							
Agriculture	-1.7	0.0	0.0	0.0	0.0	0.0	0.0
Mining	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Construction	12.1	5.0	1.9	3.0	2.9	3.1	3.0
Manufacturing	-1.1	-0.3	-0.6	-0.5	-0.8	-0.7	-0.7
Transportation/Communications/Utilities	1.6	1.2	1.0	0.6	0.3	0.2	0.2
Wholesale Trade	3.1	3.6	1.2	1.5	2.1	1.0	1.0
Retail Trade	2.7	2.3	0.7	1.5	0.6	1.1	1.1
Finance, Insurance and Real Estate (FIRE)	4.4	-0.9	-0.5	0.3	0.3	0.2	0.2
Services	4.4	3.8	2.4	2.4	2.7	2.5	2.6
Government	1.6	3.1	0.7	0.5	0.8	0.7	0.5
Unemployment Rate (% of Workforce)							
9/2000 CEFC	4.1	3.4	3.8	4.3	4.6	4.8	4.9
1/2000 CEFC	3.8	4.0	4.0	4.0	4.0	N/A	N/A
Difference	0.3	-0.6	-0.2	0.3	0.6		
Personal Income (Growth Rate)							
Total Personal Income							
9/2000 CEFC	6.2	6.0	5.5	5.0	5.0	5.0	5.0
1/2000 CEFC	5.0	5.0	4.8	4.8	5.0	N/A	N/A
Difference	1.2	1.0	0.7	0.2	0.0		
Components of Personal Income - Detail							
Wage and Salary Disbursements							
9/2000 CEFC	7.7	6.3	5.9	5.4	5.4	5.4	5.4
1/2000 CEFC	5.9	6.0	6.0	6.0	6.0	N/A	N/A
Difference	1.8	0.3	-0.1	-0.6	-0.6		
Farm Income	6.2	-19.6	-2.6	-3.7	-4.5	5.0	5.0
Non-farm Business (Proprietors') Income	8.2	8.2	5.5	5.0	5.0	5.0	5.0
Dividends, Interest & Rent	4.5	4.9	5.5	5.0	5.0	5.0	5.0
Total Transfer Payments	3.2	5.0	4.2	3.7	3.7	3.7	3.6
CPI (Annual Percentage Change)							
9/2000 CEFC	2.2	3.0	2.5	2.5	2.5	2.5	2.5
1/2000 CEFC	2.2	2.5	2.5	2.5	2.5	N/A	N/A
Difference	0.0	0.5	0.0	0.0	0.0		
Interest Rates							
3-Month Treasury Bill Rate							
9/2000 CEFC	4.6	6.0	6.1	5.7	5.3	5.0	4.7
1/2000 CEFC	4.7	5.5	5.5	5.5	5.5	N/A	N/A
Difference	-0.1	0.5	0.6	0.2	-0.2		
10-Year Treasury Note Rate							
9/2000 CEFC	5.9	6.1	6.4	6.5	6.2	6.0	5.8
1/2000 CEFC	5.6	6.5	6.5	6.5	6.5	N/A	N/A
Difference	0.3	-0.4	-0.1	0.0	-0.3		

Detail Forecast delegated to the State Planning Office; reviewed and approved by the CEFC 9/20/00.

Bolded Amounts in 1999 are based on 12 months of actual data.

CONSENSUS ECONOMIC FORECASTING COMMISSION FINDINGS: 9/2000 Findings

(Percent Change)																											
		CY2000							CY2001							CY2002					CY2003					CY2004	CY2005
		9/96	12/97	9/98	1/99	11/99	1/00	9/00	9/96	12/97	9/98	1/99	11/99	1/00	9/00	9/98	1/99	11/99	1/00	9/00	9/98	1/99	11/99	1/00	9/00	9/00	9/00
		F'cast	Update	Update	Update	Update	Update	Update	F'cast	Update	Update	Update	Update	Update	Update	F'cast	Update	Update	Update	Update	F'cast	Update	Update	Update	Update	F'cast	F'cast
Maine Wage & Salary Employment		1.0	1.2	1.0	1.3	1.1	1.7	2.5	1.0	1.2	1.1	1.1	1.3	1.3	1.1	1.2	1.2	1.3	1.3	1.3	1.2	1.2	1.3	1.3	1.3	1.3	1.3
Maine Total Personal Income (nominal)		5.0	5.3	5.4	5.1	4.8	5.0	6.0	5.0	5.3	5.4	5.1	5.0	4.8	5.5	5.4	5.2	5.0	4.8	5.0	5.4	5.2	5.0	5.0	5.0	5.0	5.0
Consumer Price Index		3.0	3.0	2.8	2.8	2.5	2.5	3.0	3.0	3.0	3.0	3.0	2.5	2.5	2.5	3.0	3.0	2.5	2.5	2.5	2.9	3.0	2.5	2.5	2.5	2.5	2.5

Sources: • Report of the Maine State Revenue Forecasting Committee (November 1995);
• Report of the Maine State Revenue Forecasting Committee (February 1997);
• Report of the Maine State Revenue Forecasting Committee (December 1997);
• Report of the Maine State Revenue Forecasting Committee (December 1998);
• Report of the Maine State Revenue Forecasting Committee (June 1999);
• Report of the Maine State Revenue Forecasting Committee (December 1999);
• Report of the Maine State Revenue Forecasting Committee (March 2000); and
• Data from the Consensus Economic Forecasting Committee (September 2000).

Maine Consensus Economic Forecasting Commission
Forecast of Sept. 20, 2000

	History						Forecast					
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
	Rate or Annual Growth Rate											
CPI-u	-	2.8%	3.0%	2.3%	1.6%	2.2%	3.0%	2.5%	2.5%	2.5%	2.5%	2.5%
Me. Unemployment Rate	7.4	5.7	5.1	5.4	4.4	4.1	3.4	3.8	4.3	4.6	4.8	4.9
3-Month Treasury Bill Rate	4.2%	5.5%	5.0%	5.1%	4.8%	4.6%	6.0%	6.1%	5.7%	5.3%	5.0%	4.7%
10-Year Treasury Note Rate	7.4%	6.9%	6.7%	6.6%	5.6%	5.9%	6.1%	6.4%	6.5%	6.2%	6.0%	5.8%
Maine Agricultural Empl. (1,000's)	14.5	14.4	14.3	13.8	16.1	13.4	14.0	14.0	14.0	14.0	14.0	14.0
	Employment Levels (1,000's)											
Maine Wage & Salary Employment	531.1	538.1	542.5	553.7	569.2	585.8	600.3	606.6	614.5	622.3	630.2	638.0
Mining	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Construction	21.0	21.7	23.1	23.3	25.0	28.1	29.4	30.0	30.9	31.8	32.8	33.8
Manufacturing	91.4	91.0	88.3	87.8	87.1	86.1	85.9	85.4	85.0	84.3	83.7	83.1
Transp/Commun./Publ. Utils.	22.6	22.3	22.6	23.1	23.6	24.0	24.2	24.5	24.6	24.7	24.8	24.8
Wholesale Trade	23.9	25.1	25.8	26.0	26.4	27.3	28.2	28.6	29.0	29.6	29.9	30.2
Retail Trade	110.2	111.9	111.4	113.4	115.9	119.0	121.8	122.7	124.5	125.3	126.7	128.1
FIRE	26.3	26.0	27.1	28.4	29.7	31.0	30.7	30.6	30.7	30.8	30.8	30.9
Services	141.4	146.7	151.2	158.7	166.8	174.1	180.7	185.0	189.5	194.7	199.6	204.7
Government	94.2	93.3	92.8	93.0	94.6	96.1	99.1	99.8	100.3	101.0	101.8	102.3
	Annual Growth Rates											
Maine Wage & Salary Employment	-	1.3%	0.8%	2.1%	2.8%	2.9%	2.5%	1.1%	1.3%	1.3%	1.3%	1.3%
Mining	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Construction	-	3.3%	6.7%	0.7%	7.4%	12.1%	5.0%	1.9%	3.0%	2.9%	3.1%	3.0%
Manufacturing	-	-0.4%	-3.0%	-0.6%	-0.8%	-1.1%	-0.3%	-0.6%	-0.5%	-0.8%	-0.7%	-0.7%
Transp/Commun./Publ. Utils.	-	-1.2%	1.4%	2.0%	2.0%	1.6%	1.2%	1.0%	0.6%	0.3%	0.2%	0.2%
Wholesale Trade	-	4.7%	2.9%	0.6%	1.9%	3.1%	3.6%	1.2%	1.5%	2.1%	1.0%	1.0%
Retail Trade	-	1.5%	-0.4%	1.8%	2.2%	2.7%	2.3%	0.7%	1.5%	0.6%	1.1%	1.1%
FIRE	-	-1.0%	3.9%	5.0%	4.6%	4.4%	-0.9%	-0.5%	0.3%	0.3%	0.2%	0.2%
Services	-	3.7%	3.1%	5.0%	5.1%	4.4%	3.8%	2.4%	2.4%	2.7%	2.5%	2.6%
Government	-	-0.9%	-0.5%	0.2%	1.8%	1.6%	3.1%	0.7%	0.5%	0.8%	0.7%	0.5%
	Million \$ - at Seas. Adjusted Annual Rates											
Personal income	24173.9	25045.9	26433.8	27885.7	29315.8	31135.0	33003.1	34818.3	36559.2	38387.1	40306.5	42321.8
Wage and salary disbursements	12408.4	12923.4	13456.4	14325.5	15241.3	16417.8	17458.6	18488.5	19486.0	20537.1	21644.6	22811.5
Other labor income	2121.8	2064.8	2103.9	2126.7	2184.8	2299.3	2409.2	2527.3	2633.6	2762.6	2902.1	3047.2
Non-farm Proprietors' income	1885.6	1791.9	1958.8	2094.3	2198.9	2379.5	2574.2	2715.8	2851.6	2994.2	3143.9	3301.1
plus: Dividends, interest, and re	4346.6	4690.8	5037.1	5346.9	5630.1	5881.8	6171.6	6511.0	6836.6	7178.4	7537.3	7914.2
plus: Transfer payments	4190.6	4401.6	4686.9	4902.1	4964.7	5122.3	5379.5	5605.7	5812.9	6026.8	6247.5	6475.2
less: Personal contrb. for social	999.7	1051.0	1084.6	1147.5	1202.6	1283.3	1353.1	1427.5	1498.9	1573.9	1652.6	1735.2
plus: Adjustment for residence	140.0	183.1	208.5	238.3	278.1	297.5	330.0	348.2	365.6	383.9	403.1	423.2
Farm Income	145.4	113.9	145.0	79.2	100.5	106.8	85.8	83.6	80.4	76.8	80.6	84.6
	Annual Growth Rates											
Personal income	-	3.6%	5.5%	5.5%	5.1%	6.2%	6.0%	5.5%	5.0%	5.0%	5.0%	5.0%
Wage and salary disbursements	-	4.2%	4.1%	6.5%	6.4%	7.7%	6.3%	5.9%	5.4%	5.4%	5.4%	5.4%
Other labor income	-	-2.7%	1.9%	1.1%	2.7%	5.2%	4.8%	4.9%	4.2%	4.9%	5.0%	5.0%
Non-farm Proprietors' income	-	-5.0%	9.3%	6.9%	5.0%	8.2%	8.2%	5.5%	5.0%	5.0%	5.0%	5.0%
plus: Dividends, interest, and re	-	7.9%	7.4%	6.2%	5.3%	4.5%	4.9%	5.5%	5.0%	5.0%	5.0%	5.0%
plus: Transfer payments	-	5.0%	6.5%	4.6%	1.3%	3.2%	5.0%	4.2%	3.7%	3.7%	3.7%	3.6%
less: Personal contrb. for social	-	5.1%	3.2%	5.8%	4.8%	6.7%	5.4%	5.5%	5.0%	5.0%	5.0%	5.0%
plus: Adjustment for residence	-	30.8%	13.9%	14.3%	16.7%	7.0%	10.9%	5.5%	5.0%	5.0%	5.0%	5.0%
Farm Income	-	-21.7%	27.3%	-45.3%	26.8%	6.2%	-19.6%	-2.6%	-3.7%	-4.5%	5.0%	5.0%

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(income adjustments in R:\Revenues\incforc0R.123)

CEFC Forecasts	Annual Percent Change		1995	1996	1997	1998	1999	2000	2001	2002	2003
	1993	1994									
<u>Apr. 1993</u>											
Wage & Salary Employment	1.4%	1.9%	2.0%								
Total Personal Income	6.0%	7.0%	7.5%								
Consumer Price Index											
<u>Oct. 1994</u>											
Wage & Salary Employment		1.4%	1.5%	1.5%	1.5%						
Total Personal Income		4.5%	5.9%	5.8%	6.1%						
Consumer Price Index		2.7%	3.3%	3.4%	3.5%						
<u>Apr. 1995</u>											
Wage & Salary Employment			1.5%	1.5%	1.5%						
Total Personal Income			5.9%	5.9%	6.2%						
Consumer Price Index											
<u>Fall 1995</u>											
Wage & Salary Employment			2.1%	1.5%	1.2%	1.3%					
Total Personal Income			5.4%	5.1%	5.0%	5.0%					
Consumer Price Index											
<u>Sept. 1996</u>											
Wage & Salary Employment					0.7%	1.0%	1.2%	1.0%	1.0%		
Total Personal Income					5.0%	5.0%	5.0%	5.0%	5.0%		
Consumer Price Index					3.0%	3.0%	3.0%	3.0%	3.0%		
<u>Oct. 1997</u>											
Wage & Salary Employment					1.5%	1.0%	1.2%	1.2%	1.2%		
Total Personal Income					6.0%	5.5%	5.3%	5.3%	5.3%		
Consumer Price Index					2.7%	2.9%	3.0%	3.0%	3.0%		
<u>Sept. 1998</u>											
Wage & Salary Employment						1.6%	1.0%	1.0%	1.1%	1.2%	1.2%
Total Personal Income						5.5%	5.2%	5.4%	5.4%	5.4%	5.4%
Consumer Price Index						1.7%	2.8%	2.8%	3.0%	3.0%	2.9%
<u>Jan. 1999</u>											
Wage & Salary Employment						2.0%	1.5%	1.3%	1.1%	1.2%	1.2%
Total Personal Income						5.0%	5.0%	5.1%	5.1%	5.2%	5.2%
Consumer Price Index						1.7%	2.8%	2.8%	3.0%	3.0%	2.9%
<u>Nov. 1999</u>											
Wage & Salary Employment							2.5%	1.1%	1.3%	1.3%	1.3%
Total Personal Income							5.0%	4.8%	5.0%	5.0%	5.0%
Consumer Price Index							2.2%	2.5%	2.5%	2.5%	2.5%
<u>Feb. 2000</u>											
Wage & Salary Employment							2.6%	1.7%	1.3%	1.3%	1.3%
Total Personal Income							5.0%	5.0%	4.8%	4.8%	5.0%
Consumer Price Index							2.2%	2.5%	2.5%	2.5%	2.5%
<u>Sep. 2000</u>											
Wage & Salary Employment								2.5%	1.1%	1.3%	1.3%
Total Personal Income								6.0%	5.5%	5.0%	5.0%
Consumer Price Index								3.0%	2.5%	2.5%	2.5%
<u>Actual (as of Sep. 2000)</u>											
Wage & Salary Employment	1.4%	2.3%	1.2%	0.8%	2.1%	2.8%	2.9%				
Total Personal Income	2.7%	3.8%	3.6%	5.5%	5.5%	5.1%	6.2%				
Consumer Price Index	3.0%	2.6%	2.8%	3.0%	2.3%	1.6%	2.2%				

NOTE ON DATA REVISIONS:

Wage & Salary "Employment data for the previous 2 yrs. is revised in March of each year. Source is Me. Dept. of Labor.

Personal Income data (quarterly) becomes available about 4 months after a qtr. ends & typically involves revisions for the 3 previous years as well as available qtrs.

of the current year. Revisions can change annual growth rates by 1% to 1.5% or more. For example, data released in the Fall of 1997 showed growth rates for Me.

of 1994 = 3.2% and 1995 = 5.3%, by the Fall of 1998, the growth rates were 1994 = 3.8% and 1995 = 4.0%. Data is from U.S. Dept. of Commerce; Bur. of Economic Analysis

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APPENDIX B

**Revenue Forecasting Committee
October 24, 2000 Meeting**

**Revenue Forecasting Committee Recommended Revenue Projections for
FY2000-2001**

Source	FY98 Actual	FY99 Actual	% Chg.	FY00 Actual	% Chg.	FY01 Budget	% Chg.	Recom. Chg.	FY01 Reproject	% Chg.
Sales and Use Tax /1	\$833,755,683	\$791,726,882	-5.0%	\$847,355,132	7.0%	\$815,578,103	-3.8%	\$19,521,897	\$835,100,000	2.4%
Individual Income Tax /2	\$907,981,057	\$1,004,457,157	10.6%	\$1,074,621,614	7.0%	\$1,131,245,580	5.3%	(\$2,821,421)	\$1,128,424,159	-0.2%
Corporate Income Tax	\$107,375,485	\$144,942,751	35.0%	\$150,045,645	3.5%	\$112,742,179	-24.9%	\$806,252	\$113,548,431	0.7%
Cigarette and Tobacco Tax /3	\$45,524,322	\$77,750,154	70.8%	\$78,343,171	0.8%	\$74,791,630	-4.5%	\$2,674,375	\$77,466,005	3.6%
Public Utilities Tax	\$29,334,895	\$29,670,868	1.1%	\$15,786,931	-46.8%	\$29,400,000	86.2%	\$400,000	\$29,800,000	1.4%
Insurance Companies Tax	\$39,153,287	\$37,742,517	-3.6%	\$42,698,686	13.1%	\$36,499,839	-14.5%	\$3,438,795	\$39,938,634	9.4%
Estate Tax	\$34,335,598	\$29,768,114	-13.3%	\$58,803,666	97.5%	\$32,753,971	-44.3%	\$0	\$32,753,971	0.0%
Property Tax - Unorg. Territory	\$8,725,314	\$9,372,051	7.4%	\$9,333,204	-0.4%	\$9,213,301	-1.3%	\$0	\$9,213,301	0.0%
Income from Investments	\$12,145,209	\$19,760,828	62.7%	\$20,312,457	2.8%	\$23,926,086	17.8%	\$0	\$23,926,086	0.0%
Transfer to Municipal Rev. Sharin	(\$94,304,723)	(\$98,997,466)	5.0%	(\$105,673,142)	6.7%	(\$105,037,859)	-0.6%	(\$892,843)	(\$105,930,702)	0.9%
Transfer from Liquor Commission	\$20,546,162	\$19,794,778	-3.7%	\$23,226,758	17.3%	\$20,477,758	-11.8%	\$0	\$20,477,758	0.0%
Transfer from Lottery Commission	\$40,742,121	\$39,600,544	-2.8%	\$38,138,174	-3.7%	\$37,975,384	-0.4%	\$0	\$37,975,384	0.0%
Other Revenues	\$126,545,597	\$131,534,093	3.9%	\$142,224,510	8.1%	\$126,851,637	-10.8%	\$288,338	\$127,139,975	0.2%
Total Revenue Available	\$2,111,860,007	\$2,237,123,271	5.9%	\$2,395,216,806	7.1%	\$2,346,417,609	-2.0%	\$23,415,393	\$2,369,833,002	1.0%

1/ FY99 actual is reduced by \$22,595,032 to account for sales tax revenue transferred to Rainy Day Fund/Sales Tax Reserve.

2/ Includes in FY98 actual \$137,245,402 transferred to the Tax Relief Fund for Maine Residents.

3/ \$28,845,919 credited to the Tobacco Tax Relief Fund in FY98.

**Revenue Forecasting Committee Recommended Revenue Projections for
FY2002-2003 and FY2004-2005**

Source	FY02 Budget	% Chg.	Recom. Chg.	FY02 Reproject	% Chg.	FY03 Budget	% Chg.	Recom. Chg.	FY03 Reproject	% Chg.	FY04 Recom.	% Chg.	FY05 Recom.	% Chg.
Sales and Use Tax	\$847,618,160	1.5%	\$15,481,840	\$863,100,000	1.8%	\$892,137,814	5.3%	\$17,592,186	\$909,730,000	2.0%	\$959,200,000	5.4%	\$1,011,600,000	5.5%
Individual Income Tax /1	\$1,223,914,126	8.5%	(\$18,154,309)	\$1,205,759,817	-1.5%	\$1,306,447,691	6.7%	(\$18,397,830)	\$1,288,049,861	-1.4%	\$1,370,611,506	6.4%	\$1,455,886,018	6.2%
Corporate Income Tax	\$114,771,225	1.1%	\$1,403,661	\$116,174,886	1.2%	\$116,112,648	1.2%	\$599,130	\$116,711,778	0.5%	\$116,718,763	0.0%	\$117,315,386	0.5%
Cigarette and Tobacco Tax /2	\$74,002,650	-4.5%	\$2,945,005	\$76,947,655	4.0%	\$74,691,827	0.9%	\$1,639,518	\$76,331,345	2.2%	\$75,717,130	-0.8%	\$75,105,058	-0.8%
Public Utilities Tax	\$29,400,000	-1.3%	\$700,000	\$30,100,000	2.4%	\$28,325,926	-3.7%	\$974,074	\$29,300,000	3.4%	\$28,400,000	-3.1%	\$27,500,000	-3.2%
Insurance Companies Tax	\$36,139,241	-9.5%	\$7,199,615	\$43,338,856	19.9%	\$35,782,248	-1.0%	\$5,098,755	\$40,881,003	14.2%	\$41,903,028	2.5%	\$42,950,604	2.5%
Estate Tax	\$34,410,766	5.1%	\$0	\$34,410,766	0.0%	\$36,137,472	5.0%	\$0	\$36,137,472	0.0%	\$37,944,346	5.0%	\$39,841,563	5.0%
Property Tax - Unorg. Territory	\$8,352,274	-9.3%	\$0	\$8,352,274	0.0%	\$8,557,218	2.5%	\$0	\$8,557,218	0.0%	\$8,771,148	2.5%	\$8,990,427	2.5%
Income from Investments	\$23,926,086	0.0%	\$0	\$23,926,086	0.0%	\$23,926,086	0.0%	\$0	\$23,926,086	0.0%	\$23,926,086	0.0%	\$23,926,086	0.0%
Transfer to Municipal Rev. Sharing	(\$111,501,479)	5.3%	\$64,709	(\$111,436,770)	-0.1%	(\$118,049,606)	5.9%	\$10,532	(\$118,039,074)	-0.0%	(\$124,773,044)	5.7%	(\$131,824,872)	5.7%
Transfer from Liquor Commission	\$20,493,439	0.1%	\$0	\$20,493,439	0.0%	\$20,493,439	0.0%	\$0	\$20,493,439	0.0%	\$0	-100.0%	\$0	ERR
Transfer from Lottery Commission	\$37,975,384	0.0%	\$0	\$37,975,384	0.0%	\$37,975,384	0.0%	\$0	\$37,975,384	0.0%	\$0	-100.0%	\$0	ERR
Other Revenues	\$124,659,059	-2.0%	(\$198,050)	\$124,461,009	-0.2%	\$124,961,938	0.2%	(\$400,742)	\$124,561,196	-0.3%	\$0	-100.0%	\$0	ERR
Total Revenue Available	\$2,464,160,931	4.0%	\$9,442,471	\$2,473,603,402	0.4%	\$2,587,500,085	5.0%	\$7,115,623 \$16,558,094	\$2,594,615,708	0.3%	\$2,538,418,963	-2.2%	\$2,671,290,271	5.2%

STATE OF MAINE
Undedicated Revenues - General Fund
For the Twelfth Month Ended June 30, 2000

Jun-00

	Month				Year to Date				Total Budgeted Fiscal Year Ending 6-30-2000
	Actual	Budget	Variance Over/(under)	Percent Over/(under)	Actual	Budget	Variance Over/(under)	Percent Over/(under)	
Sales and Use Tax	143,281,205	141,446,875	1,834,330	1.3%	847,355,132	844,698,162	2,656,970	0.3%	844,698,162
Individual Income Tax	135,862,667	146,797,602	(10,934,935)	(7.4%)	1,074,621,614	1,098,637,919	(24,016,305)	(2.2%)	1,098,637,919
Corporate Income Tax	23,825,380	23,866,983	(41,603)	(0.2%)	150,045,645	144,380,645	5,665,000	3.9%	144,380,645
Cigarette and Tobacco Tax	7,353,898	7,634,758	(280,860)	(3.7%)	78,343,171	75,794,552	2,548,619	3.4%	75,794,552
Public Utilities Tax	773,642	0	773,642	-	15,786,931	14,725,000	1,061,931	7.2%	14,725,000
Insurance Companies Tax	14,796,066	11,268,420	3,527,646	31.3%	42,698,686	36,864,080	5,834,606	15.8%	36,864,080
Estate Tax	18,073,687	10,172,136	7,901,551	77.7%	58,803,666	46,900,651	11,903,015	25.4%	46,900,651
Property Tax - Unorg Territory	898,358	820,222	78,136	9.5%	9,333,204	8,013,110	1,320,094	16.5%	8,013,110
Income from Investments	4,675,104	3,722,567	952,537	25.6%	20,312,457	20,638,000	(325,543)	(1.6%)	20,638,000
Transfer to Municipal Revenue Sharing	(15,451,432)	(15,917,685)	466,253	(2.9%)	(105,673,142)	(106,473,553)	800,411	(0.8%)	(106,473,553)
Transfer from Liquor Commission	2,143,527	1,695,460	448,067	26.4%	23,226,758	19,942,531	3,284,227	16.5%	19,942,531
Transfer from Lottery Commission	3,300,850	2,984,871	315,979	10.6%	38,138,174	37,801,819	336,355	0.9%	37,801,819
Other Revenues	30,236,256	11,805,334	18,430,922	156.1%	142,224,510	119,791,366	22,433,144	18.7%	119,791,366
Total General Fund Revenues	369,769,209	346,297,543	23,471,666	6.8%	2,395,216,806	2,361,714,282	33,502,524	1.4%	2,361,714,282

- NOTES: (1) Included in the above is \$15,451,432 for the month and \$105,673,142 year to date, that was set aside for Revenue Sharing with cities and towns.
- (2) In addition to the amounts above, \$1,152,347 was transferred from the Maine Rainy Day Fund to Municipal Revenue Sharing in accordance with PL 1999 Chapter 528, October 1999.
- (3) Figures reflect estimates through the Second Regular Session of the 119th Legislature.
- (4) This report has been prepared from preliminary month end figures and is subject to change.

STATE OF MAINE
Undedicated Revenues - General Fund
For the Twelfth Month Ended June 30, 2000 and 1999

EXHIBIT II

	Month				Year to Date			
	Current Year	Prior Year	Variance Over/(under)	Percent Over/(under)	Current Year	Prior Year	Variance Over/(under)	Percent Over/(under)
Sales and Use Tax	143,281,205	121,023,224	22,257,982	18.4%	847,355,132	791,726,882	55,628,250	7.0%
Individual Income Tax	135,862,667	128,252,345	7,610,322	5.9%	1,074,621,614	1,004,457,157	70,164,457	7.0%
Corporate Income Tax	23,825,380	59,478,121	(35,652,741)	(59.9%)	150,045,645	144,942,751	5,102,894	3.5%
Cigarette and Tobacco Tax	7,353,898	7,581,661	(227,762)	(3.0%)	78,343,171	77,750,154	593,017	0.8%
Public Utilities Tax	773,642	166,793	606,850	363.8%	15,786,931	29,670,868	(13,883,937)	(46.8%)
Insurance Companies Tax	14,796,066	10,954,360	3,841,706	35.1%	42,698,686	37,742,517	4,956,169	13.1%
Estate Tax	18,073,687	2,357,673	15,716,015	666.6%	58,803,666	29,768,114	29,035,553	97.5%
Property Tax - Unorg Territory	898,358	1,519,268	(620,910)	(40.9%)	9,333,204	9,372,051	(38,847)	(0.4%)
Income from Investments	4,675,104	5,007,608	(332,505)	(6.6%)	20,312,457	19,760,828	551,630	2.8%
Transfer to Municipal Revenue Sharing	(15,451,432)	(15,746,438)	295,006	(1.9%)	(105,673,142)	(98,997,466)	(6,675,676)	6.7%
Transfer from Liquor Commission	2,143,527	2,050,940	92,587	4.5%	23,226,758	19,794,778	3,431,980	17.3%
Transfer from Lottery Commission	3,300,850	2,781,762	519,088	18.7%	38,138,174	39,600,544	(1,462,370)	(3.7%)
Other Revenues	30,236,256	24,684,660	5,551,596	22.5%	142,224,510	131,534,093	10,690,417	8.1%
Total General Fund Revenues	369,769,209	350,111,975	19,657,234	5.6%	2,395,216,806	2,237,123,270	158,093,536	7.1%

STATE OF MAINE
Undedicated Revenues - General Fund
For the Twelfth Month Ended June 30, 2000

EXHIBIT III

Detail of Other Revenues	Month				Year to Date				Total Budgeted Fiscal Year Ending 6-30-2000
	Actual	Budget	Variance Over/(under)	Percent Over/(under)	Actual	Budget	Variance Over/(under)	Percent Over/(under)	
0100's All Others	1,413,878	1,458,450	(44,572)	(3.1%)	13,428,737	12,476,191	952,546	7.6%	12,476,191
0300's Aeronautical Gas Tax	108,368	76,702	31,666	41.3%	1,075,029	898,000	177,029	19.7%	898,000
0400's Alcohol Excise Tax	1,154,399	823,093	331,306	40.3%	11,356,250	10,676,200	680,050	6.4%	10,676,200
0700's Corporation Taxes	461,060	433,020	28,040	6.5%	3,128,892	2,531,200	597,692	23.6%	2,531,200
1000's Banking Taxes	566,040	555,500	10,540	1.9%	8,724,430	6,885,000	1,839,430	26.7%	6,885,000
1100's Alcoholic Beverages	501,990	441,995	59,995	13.6%	3,067,067	2,962,300	104,767	3.5%	2,962,300
1200's Amusements Tax	150,290	150,100	190	0.1%	154,400	150,860	3,540	2.3%	150,860
1300's Harness Racing Parimutuels	10,996	80,600	(69,604)	(86.4%)	1,163,136	1,100,750	62,386	5.7%	1,100,750
1400's Business Taxes	714,171	526,495	187,676	35.6%	4,375,801	4,456,419	(80,618)	(1.8%)	4,456,419
1500's Motor Vehicle Licenses	227,631	104,907	122,724	117.0%	2,463,746	2,035,833	427,913	21.0%	2,035,833
1700's Inland Fisheries & Wildlife	1,102,109	1,178,072	(75,963)	(6.4%)	14,028,485	13,502,213	526,272	3.9%	13,502,213
1900's Hospital Excise & Other	26,843	21,071	5,772	27.4%	315,117	274,335	40,782	14.9%	274,335
2000's Fines, Forfeits & Penalties	3,166,372	2,023,749	1,142,623	56.5%	26,154,983	23,749,236	2,405,747	10.1%	23,749,236
2200's Federal Revenues	1,856,550	751,110	1,105,440	147.2%	11,260,097	9,913,433	1,346,664	13.6%	9,913,433
2300's County Revenues	3,509	0	3,509	.	3,509	0	3,509	.	0
2400's Revenues from Cities & Towns	0	27,476	(27,476)	(100.0%)	350	375,724	(375,374)	(99.9%)	375,724
2500's Revenues from Private Sources	1,639,335	154,999	1,484,336	957.6%	2,133,640	1,841,000	292,640	15.9%	1,841,000
2600's Current Service Charges	6,267,561	1,913,622	4,353,939	227.5%	21,923,048	18,011,020	3,912,028	21.7%	18,011,020
2700's Transfers from Other Funds	10,670,972	1,082,173	9,588,799	886.1%	17,149,548	7,935,652	9,213,896	116.1%	7,935,652
2800's Sales of Property & Equipment	194,182	2,200	191,982	8726.4%	318,244	16,000	302,244	1889.0%	16,000
Total Other Revenues	30,236,256	11,805,334	18,430,922	156.1%	142,224,510	119,791,366	22,433,144	18.7%	119,791,366

STATE OF MAINE
Undedicated Revenues - General Fund
For the Twelfth Month Ended June 30, 2000 and 1999

EXHIBIT IV

Detail of Other Revenues	Month				Year to Date			
	Current Year	Prior Year	Variance Over/(under)	Percent Over/(under)	Current Year	Prior Year	Variance Over/(under)	Percent Over/under
0100's All Others	1,413,878	1,140,390	273,488	24.0%	13,428,737	16,039,334	(2,610,597)	(16.3%)
0300's Aeronautical Gas Tax	108,368	112,674	(4,306)	(3.8%)	1,075,029	1,015,535	59,494	5.9%
0400's Alcohol Excise Tax	1,154,399	1,000,160	154,239	15.4%	11,356,250	10,836,331	519,919	4.8%
0700's Corporation Taxes	461,060	464,245	(3,185)	(0.7%)	3,128,892	3,113,991	14,901	0.5%
1000's Banking Taxes	566,040	816,070	(250,030)	(30.6%)	8,724,430	7,691,753	1,032,677	13.4%
1100's Alcoholic Beverages	501,990	394,465	107,525	27.3%	3,067,067	2,904,977	162,090	5.6%
1200's Amusements Tax	150,290	150,120	170	0.1%	154,400	155,414	(1,014)	(0.7%)
1300's Harness Racing Parimutuels	10,996	56,968	(45,972)	(80.7%)	1,163,136	1,243,904	(80,768)	(6.5%)
1400's Business Taxes	714,171	845,438	(131,267)	(15.5%)	4,375,801	4,911,830	(536,029)	(10.9%)
1500's Motor Vehicle Licenses	227,631	231,018	(3,387)	(1.5%)	2,463,746	2,283,553	180,194	7.9%
1700's Inland Fisheries & Wildlife	1,102,109	1,107,706	(5,597)	(0.5%)	14,028,485	13,873,219	155,267	1.1%
1900's Hospital Excise & Other	26,843	24,575	2,268	9.2%	315,117	315,661	(545)	(0.2%)
2000's Fines, Forfeits & Penalties	3,166,372	3,514,553	(348,181)	(9.9%)	26,154,983	25,602,183	552,800	2.2%
2200's Federal Revenues	1,856,550	3,818,402	(1,961,852)	(51.4%)	11,260,097	8,436,128	2,823,969	33.5%
2300's County Revenues	3,509	0	3,509	-	3,509	45,492	(41,983)	(92.3%)
2400's Revenues from Cities & Towns	0	0	0	-	350	0	350	-
2500's Revenues from Private Sources	1,639,335	12,306	1,627,030	13222.0%	2,133,640	2,033,345	100,295	4.9%
2600's Current Service Charges	6,267,561	4,085,820	2,181,741	53.4%	21,923,048	17,779,368	4,143,679	23.3%
2700's Transfers from Other Funds	10,670,972	6,890,954	3,780,018	54.9%	17,149,548	12,621,487	4,528,061	35.9%
2800's Sales of Property & Equipment	194,182	18,796	175,385	933.1%	318,244	630,588	(312,344)	(49.5%)
Total Other Revenues	30,236,256	24,684,660	5,551,596	22.5%	142,224,510	131,534,093	10,690,417	8.1%

STATE OF MAINE
Undedicated Revenues - Highway Fund
For the Twelfth Month Ended June 30, 2000

Exhibit V

	Month				Year to Date				Total Budgeted Fiscal Year Ending 6-30-2000
	Actual	Budget	Variance Over/(under)	Percent Over/(under)	Actual	Budget	Variance Over/(under)	Percent Over/(under)	
Fuel Taxes	33,007,090	31,280,808	1,726,282	5.5%	174,691,007	171,240,123	3,450,884	2.0%	171,240,123
Motor Vehicle Registration & Fees	9,613,619	6,704,216	2,909,403	43.4%	74,079,814	66,491,998	7,587,816	11.4%	66,491,998
Inspection Fees	353,865	175,684	178,181	101.4%	2,625,496	2,385,034	240,462	10.1%	2,385,034
All Other	1,567,237	819,298	747,939	91.3%	11,446,162	8,946,360	2,499,802	27.9%	8,946,360
Total Revenue	44,541,812	38,980,006	5,561,806	14.3%	262,842,478	249,063,515	13,778,963	5.5%	249,063,515

NOTE: This report has been prepared from preliminary month end figures and is subject to change.

PRELIMINARY AND TENTATIVE

FOR VERIFICATION PURPOSES & INTERNAL USE ONLY

Sep-00

original: 10/05/00

	Month				Year to Date				Total Budgeted Fiscal Year Ending 6-30-2001
	Actual	Budget	Variance Over/(under)	Percent Over/(under)	Actual	Budget	Variance Over/(under)	Percent Over/(under)	
Sales and Use Tax	82,965,425	80,249,901	2,715,524	3.4%	172,093,098	166,024,584	6,068,514	3.7%	815,578,103
Individual Income Tax	107,436,370	103,436,633	3,999,737	3.9%	211,731,070	205,243,604	6,487,466	3.2%	1,131,235,972
Corporate Income Tax	15,973,570	23,162,842	(7,189,272)	(31.0%)	20,581,278	21,734,612	(1,153,334)	(5.3%)	112,742,179
Cigarette and Tobacco Tax	5,733,009	5,788,008	(54,999)	(1.0%)	20,030,380	19,504,198	526,182	2.7%	74,791,630
Public Utilities Tax	(22,776)	0	(22,776)	-	(22,776)	(150,000)	127,224	(84.8%)	29,400,000
Insurance Companies Tax	(67,145)	146,847	(213,992)	(145.7%)	1,228,097	231,033	997,064	431.6%	36,499,839
Estate Tax	897,449	2,712,102	(1,814,653)	(66.9%)	5,343,689	3,961,305	1,382,384	34.9%	32,753,971
Property Tax - Unorg Territory	0	0	0	-	0	0	0	-	9,213,301
Income from Investments	2,120,460	1,329,228	791,232	59.5%	3,663,385	2,658,454	1,004,931	37.8%	23,926,086
Transfer to Municipal Revenue Sharing	(10,525,144)	(10,549,319)	24,175	(0.2%)	(20,624,678)	(20,043,145)	(581,533)	2.9%	(105,037,859)
Transfer from Liquor Commission	1,936,407	1,767,023	169,384	9.6%	7,028,099	5,819,881	1,208,218	20.8%	20,477,758
Transfer from Lottery Commission	3,297,183	3,560,066	(262,883)	(7.4%)	9,962,097	9,999,236	(37,139)	(0.4%)	37,975,384
Other Revenues	10,611,465	10,224,615	386,850	3.8%	33,146,119	29,206,465	3,939,654	13.5%	126,851,637
Total Collected	220,356,273	221,827,946	(1,471,673)	(0.7%)	464,159,859	444,190,227	19,969,632	4.5%	2,346,408,001

NOTES: (1) Included in the above is \$10,525,144 for the month and \$20,624,678 year to date, that was set aside for Revenue Sharing with cities and towns.

(2) Figures reflect estimates through the first regular session of the 119th Legislature.

STATE OF MAINE
Undedicated Revenues - General Fund
For the Third Month Ended September 30, 2000 and 1999

PRELIMINARY AND TENTATIVE

FOR VERIFICATION PURPOSES & INTERNAL USE ONLY

EXHIBIT II

	Month				Year to Date			
	Current Year	Prior Year	Variance Over/(under)	Percent Over/(under)	Current Year	Prior Year	Variance Over/(under)	Percent Over/(under)
Sales and Use Tax	82,965,425	57,806,856	25,158,570	43.5%	172,093,098	173,867,554	(1,774,456)	(1.0%)
Individual Income Tax	107,436,370	100,597,688	6,838,682	6.8%	211,731,070	201,383,897	10,347,173	5.1%
Corporate Income Tax	15,973,570	39,738,669	(23,765,099)	(59.8%)	20,581,278	33,854,857	(13,273,579)	(39.2%)
Cigarette and Tobacco Tax	5,733,009	6,261,444	(528,435)	(8.4%)	20,030,380	21,082,693	(1,052,313)	(5.0%)
Public Utilities Tax	(22,776)	232,901	(255,677)	(109.8%)	(22,776)	83,313	(106,089)	(127.3%)
Insurance Companies Tax	(67,145)	311,794	(378,939)	(121.5%)	1,228,097	724,167	503,931	69.6%
Estate Tax	897,449	1,838,583	(941,133)	(51.2%)	5,343,689	7,894,761	(2,551,072)	(32.3%)
Property Tax - Unorg Territory	0	0	0	-	0	0	0	-
Income from Investments	2,120,460	1,269,556	850,904	67.0%	3,663,385	3,258,722	404,663	12.4%
Transfer to Municipal Revenue Sharing	(10,525,144)	(10,105,304)	(419,840)	4.2%	(20,624,678)	(20,864,422)	239,744	(1.1%)
Transfer from Liquor Commission	1,936,407	1,976,415	(40,008)	(2.0%)	7,028,099	6,416,395	611,704	9.5%
Transfer from Lottery Commission	3,297,183	3,933,372	(636,189)	(16.2%)	9,962,097	10,291,432	(329,335)	(3.2%)
Other Revenues	10,611,465	8,125,981	2,485,484	30.6%	33,146,119	28,554,751	4,591,368	16.1%
Total Collected	220,356,273	211,987,953	8,368,320	3.9%	464,159,859	466,548,120	(2,388,262)	(0.5%)

STATE OF MAINE
Undedicated Revenues - General Fund
For Third Month Ended September 30, 2000

PRELIMINARY AND TENTATIVE

EXHIBIT III

FOR VERIFICATION PURPOSES & INTERNAL USE ONLY

Detail of Other Revenues	Month				Year to Date				Total Budgeted Fiscal Year Ending 6-30-2001
	Actual	Budget	Variance Over/(under)	Percent Over/(under)	Actual	Budget	Variance Over/(under)	Percent Over/(under)	
0100's All Others	947,386	708,282	239,104	33.8%	1,957,542	1,503,843	453,699	30.2%	11,890,670
0300's Aeronautical Gas Tax	(414,388)	72,424	(486,812)	(672.2%)	308,084	287,108	20,976	7.3%	902,000
0400's Alcohol Excise Tax	836,093	986,095	(150,002)	(15.2%)	3,068,753	2,554,564	514,189	20.1%	10,676,200
0700's Corporation Taxes	66,905	57,258	9,647	16.8%	296,885	238,720	58,165	24.4%	2,633,265
1000's Banking Taxes	740,800	455,200	285,600	62.7%	2,154,090	1,465,800	688,290	47.0%	6,885,000
1100's Alcoholic Beverages	223,900	174,235	49,665	28.5%	653,780	595,615	58,165	9.8%	2,962,300
1200's Amusements Tax	40	50	(10)	(20.0%)	140	130	10	7.7%	150,860
1300's Harness Racing Parimutuels	126,383	180,600	(54,217)	(30.0%)	382,634	436,100	(53,466)	(12.3%)	1,128,200
1400's Business Taxes	141,133	203,427	(62,294)	(30.6%)	694,787	709,639	(14,852)	(2.1%)	4,442,057
1500's Motor Vehicle Licenses	51,000	134,197	(83,197)	(62.0%)	294,275	404,500	(110,225)	(27.2%)	2,069,315
1700's Inland Fisheries & Wildlife	1,502,273	963,099	539,174	56.0%	4,842,570	3,439,139	1,403,431	40.8%	13,504,713
1900's Hospital Excise & Other	24,995	19,647	5,348	27.2%	51,405	52,180	(775)	(1.5%)	274,335
2000's Fines, Forfeits & Penalties	2,199,909	2,074,933	124,976	6.0%	7,379,735	5,884,954	1,494,781	25.4%	24,038,045
2200's Federal Revenues	1,222,056	1,494,804	(272,748)	(18.2%)	3,389,266	3,008,759	380,507	12.6%	13,864,118
2400's Revenues from Cities & Towns	0	167	(167)	(100.0%)	1,435	501	934	186.4%	2,000
2500's Revenues from Private Sources	8,173	145,500	(137,327)	(94.4%)	295,436	487,500	(192,064)	(39.4%)	1,841,000
2600's Current Service Charges	2,344,358	1,796,063	548,295	30.5%	5,069,669	6,106,976	(1,037,307)	(17.0%)	21,567,278
2700's Transfers from Other Funds	590,449	756,634	(166,185)	(22.0%)	2,305,261	2,026,237	279,024	13.8%	7,944,281
2800's Sales of Property & Equipment	0	2,000	(2,000)	(100.0%)	372	4,200	(3,828)	(91.1%)	76,000
Total Other Revenues	10,611,465	10,224,615	386,850	3.8%	33,146,119	29,206,465	3,939,654	13.5%	126,851,637

STATE OF MAINE
Undedicated Revenues - General Fund
For the Third Month Ended September 30, 2000 and 1999

PRELIMINARY AND TENTATIVE

EXHIBIT IV

FOR VERIFICATION PURPOSES & INTERNAL USE ONLY

Detail of Other Revenues	Month				Year to Date			
	Current Year	Prior Year	Change	Percent Over/(under)	Current Year	Prior Year	Change	Percent Over/(under)
0100's All Others	947,386	711,392	235,994	33.2%	1,957,542	2,790,552	(833,011)	(29.9%)
0300's Aeronautical Gas Tax	(414,388)	90,359	(504,747)	(558.6%)	308,084	406,346	(98,261)	(24.2%)
0400's Alcohol Excise Tax	836,093	987,432	(151,339)	(15.3%)	3,068,753	3,426,204	(357,450)	(10.4%)
0700's Corporation Taxes	66,905	53,285	13,620	25.6%	296,885	274,060	22,825	8.3%
1000's Banking Taxes	740,800	595,480	145,320	24.4%	2,154,090	1,771,730	382,360	21.6%
1100's Alcoholic Beverages	223,900	228,635	(4,735)	(2.1%)	653,780	683,775	(29,995)	(4.4%)
1200's Amusements Tax	40	80	(40)	(50.0%)	140	310	(170)	(54.8%)
1300's Harness Racing Parimutuels	126,383	120,619	5,764	4.8%	382,634	394,145	(11,511)	(2.9%)
1400's Business Taxes	141,133	470,987	(329,854)	(70.0%)	694,787	786,438	(91,651)	(11.7%)
1500's Motor Vehicle Licenses	51,000	255,969	(204,969)	(80.1%)	294,275	384,153	(89,878)	(23.4%)
1700's Inland Fisheries & Wildlife	1,502,273	459,158	1,043,115	227.2%	4,842,570	3,773,856	1,068,714	28.3%
1900's Amnesty, Hosp Excise & Other	24,995	20,067	4,928	24.6%	51,405	46,506	4,899	10.5%
2000's Fines, Forfeits & Penalties	2,199,909	2,252,825	(52,916)	(2.3%)	7,379,735	5,994,151	1,385,584	23.1%
2200's Federal Revenues	1,222,056	324,795	897,261	276.3%	3,389,266	485,174	2,904,092	598.6%
2300's County Revenues	0	0	0	-	0	0	0	-
2400's Revenues from Cities & Towns	0	0	0	-	1,435	0	1,435	-
2500's Revenues from Private Sources	8,173	126,693	(118,519)	(93.5%)	295,436	620,651	(325,214)	(52.4%)
2600's Current Service Charges	2,344,358	586,626	1,757,732	299.6%	5,069,669	4,160,461	909,207	21.9%
2700's Transfers from Other Funds	590,449	825,987	(235,537)	(28.5%)	2,305,261	2,539,552	(234,292)	(9.2%)
2800's Sales of Property & Equipment	0	15,594	(15,594)	(100.0%)	372	16,687	(16,315)	(97.8%)
Total Other Revenues	10,611,465	8,125,981	2,485,484	30.6%	33,146,119	28,554,751	4,591,368	16.1%

PRELIMINARY AND TENTATIVE

Exhibit V

FOR VERIFICATION PURPOSES & INTERNAL USE ONLY

	Month				Year to Date				Total Budgeted Fiscal Year Ending 6-30-2001
	Actual	Budget	Variance Over/(under)	Percent Over/(under)	Actual	Budget	Variance Over/(under)	Percent Over/(under)	
Fuel Taxes	15,785,657	16,564,176	(778,519)	(4.7%)	31,429,562	32,039,273	(609,711)	(1.9%)	176,311,407
Motor Vehicle Registration & Fees	4,714,295	5,379,018	(664,723)	(12.4%)	16,897,461	15,328,609	1,568,852	10.2%	67,871,293
Inspection Fees	162,580	180,942	(18,362)	(10.1%)	497,087	540,833	(43,746)	(8.1%)	2,389,791
All Other	1,039,487	854,242	185,245	21.7%	2,510,242	2,197,033	313,209	14.3%	9,093,231
Total Revenue	21,702,018	22,978,378	(1,276,360)	(5.6%)	51,334,352	50,105,748	1,228,604	2.5%	255,665,731

NOTE: This report has been prepared from preliminary month end figures and is subject to change.


Economic Assumptions



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October 4, 2000

TO: Members, Legislative Council
Members, Joint Standing Committee on Appropriations & Financial Affairs
Members, Joint Standing Committee on Taxation
Members, Joint Standing Committee on Transportation

FROM: Jim Clair, Director 

RE: Summary of the 9/12/00 Consensus Economic Forecasting Commission Meeting

The Consensus Economic Forecasting Commission (CEFC) met on September 12, 2000. The CEFC's findings and recommendations were finalized on September 20th and presented to the Revenue Forecasting Committee on October 2nd. Attached are several summaries of their findings and recommendations. Attachments A and B were put together by Grant Pennoyer of this office who attended the meeting. Attachments D and E were presented to the Revenue Forecasting Committee by the State Planning Office. Attachments C and E provide histories of the CEFC's forecasts over the years.

You may recall that the CEFC's previous forecast projected a slowing of economic growth in calendar year 2000. As in the recent past, the expected slowdown has yet to occur. The CEFC's 9/2000 projections once again have pushed out the expected slowdown in economic growth, now projected for calendar year 2001. As with the last 2 forecasts, this CEFC forecast projects more variables and more detail for certain components, such as personal income, in response to a request of Maine Revenue Services to provide better guidance on the variables required as inputs for its new tax models. Attachments B and D summarize the detailed forecasts.

Please recall that the Revenue Forecasting Committee has scheduled 4 meetings in October to establish General Fund and Highway Fund revenue estimates for the 2002-2003 biennium, establish projections for the 2004-2005 biennium and review revenue estimates for fiscal year 2000-01. At this point, it is too early to determine the effect of this revised economic forecast on these pending revenue discussions. While the changes to the aggregate numbers on Attachment A seem generally positive, the impact of the detailed forecast (see Attachment B) when it is entered into the tax models is less clear, particularly in light of the reductions in the wage and salary component of personal income. The Revenue Forecasting Committee, on which Grant and I serve, will be evaluating the output from the Maine Revenue Services' tax models along with other information pertinent to the revenue forecast. We will keep you informed of the outcome of the October meetings.

Please call or stop by if you have any questions or need additional information.

attachments

cc: Members, Revenue Forecasting Committee
OFPR staff

Consensus Economic Forecasting Commission

Recommendations - Sept. 1998 vs. Jan. 1999 vs. Nov. 1999 vs. Jan. 2000 vs. Sept. 2000

<u>Calendar Years</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
• W&S Employment (Annual Percentage Change)								
> Consensus 9/98	1.6	1.0	1.0	1.1	1.2	1.2		
> Consensus 1/99	2.0	1.5	1.3	1.1	1.2	1.2		
> Consensus 11/99	2.9	2.5	1.1	1.3	1.3	1.3		
> Consensus 1/2000	2.9	2.6	1.7	1.3	1.3	1.3		
> Consensus 9/2000	2.8	2.9	2.5	1.1	1.3	1.3	1.3	1.3
• Personal Income (Annual Percentage Change)								
> Consensus 9/98	5.5	5.2	5.4	5.4	5.4	5.4		
> Consensus 1/99	5.0	5.0	5.1	5.1	5.2	5.2		
> Consensus 11/99	5.1	5.0	4.8	5.0	5.0	5.0		
> Consensus 1/2000	5.1	5.0	5.0	4.8	4.8	5.0		
> Consensus 9/2000	5.1	6.2	6.0	5.5	5.0	5.0	5.0	5.0
• CPI (Annual Percentage Change)								
> Consensus 9/98	1.7	2.8	2.8	3.0	3.0	2.9		
> Consensus 1/99	1.7	2.8	2.8	3.0	3.0	2.9		
> Consensus 11/99	1.6	2.2	2.5	2.5	2.5	2.5		
> Consensus 1/2000	1.6	2.2	2.5	2.5	2.5	2.5		
> Consensus 9/2000	1.6	2.2	3.0	2.5	2.5	2.5	2.5	2.5

(Note: Amounts in italics and boxes represent actuals; shaded amounts represent significant changes.)

Other Notes/Highlights:

General Items:

> Oil prices are a concern; New England may be facing minisupply shocks for years to come.

Employment Growth:

> BIW strike will hold down work force growth, but it is assumed that BIW workers will be employed elsewhere

Personal Income:

> Personal income growth for the 1st Quarter of 2000 was 6.5%

The CEFC forecast the major aggregate variables summarized above and deferred to the State Planning Office to present the CEFC with the more detailed forecast required for the Maine Revenue Services model (see Attachment B). That detailed forecast was approved 9/20/00.

Maine Revenue Services Model - Model Inputs

Calendar Years	1999	2000	2001	2002	2003	2004	2005
Annual Growth Rates							
W&S Employment (Growth Rate)							
Total - Non-farm Wage & Salary Employment							
9/2000 CEFC	2.9	2.5	1.1	1.3	1.3	1.3	1.3
1/2000 CEFC	<u>2.6</u>	<u>1.7</u>	<u>1.3</u>	<u>1.3</u>	<u>1.3</u>	N/A	N/A
Difference	0.3	0.8	-0.2	0.0	0.0		
W&S Employment (Growth Rate) - Industry Detail CEFC 9/2000							
Agriculture	-1.7	0.0	0.0	0.0	0.0	0.0	0.0
Mining	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Construction	12.1	5.0	1.9	3.0	2.9	3.1	3.0
Manufacturing	-1.1	-0.3	-0.6	-0.5	-0.8	-0.7	-0.7
Transportation/Communications/Utilities	1.6	1.2	1.0	0.6	0.3	0.2	0.2
Wholesale Trade	3.1	3.6	1.2	1.5	2.1	1.0	1.0
Retail Trade	2.7	2.3	0.7	1.5	0.6	1.1	1.1
Finance, Insurance and Real Estate (FIRE)	4.4	-0.9	-0.5	0.3	0.3	0.2	0.2
Services	4.4	3.8	2.4	2.4	2.7	2.5	2.6
Government	1.6	3.1	0.7	0.5	0.8	0.7	0.5
Unemployment Rate (% of Workforce)							
9/2000 CEFC	4.1	3.4	3.8	4.3	4.6	4.8	4.9
1/2000 CEFC	<u>3.8</u>	<u>4.0</u>	<u>4.0</u>	<u>4.0</u>	<u>4.0</u>	N/A	N/A
Difference	0.3	-0.6	-0.2	0.3	0.6		
Personal Income (Growth Rate)							
Total Personal Income							
9/2000 CEFC	6.2	6.0	5.5	5.0	5.0	5.0	5.0
1/2000 CEFC	<u>5.0</u>	<u>5.0</u>	<u>4.8</u>	<u>4.8</u>	<u>5.0</u>	N/A	N/A
Difference	1.2	1.0	0.7	0.2	0.0		
Components of Personal Income - Detail							
Wage and Salary Disbursements							
9/2000 CEFC	7.7	6.3	5.9	5.4	5.4	5.4	5.4
1/2000 CEFC	<u>5.9</u>	<u>6.0</u>	<u>6.0</u>	<u>6.0</u>	<u>6.0</u>	N/A	N/A
Difference	1.8	0.3	-0.1	-0.6	-0.6		
Farm Income	6.2	-19.6	-2.6	-3.7	-4.5	5.0	5.0
Non-farm Business (Proprietors') Income	8.2	8.2	5.5	5.0	5.0	5.0	5.0
Dividends, Interest & Rent	4.5	4.9	5.5	5.0	5.0	5.0	5.0
Total Transfer Payments	3.2	5.0	4.2	3.7	3.7	3.7	3.6
CPI (Annual Percentage Change)							
9/2000 CEFC	2.2	3.0	2.5	2.5	2.5	2.5	2.5
1/2000 CEFC	<u>2.2</u>	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>	N/A	N/A
Difference	0.0	0.5	0.0	0.0	0.0		
Interest Rates							
3-Month Treasury Bill Rate							
9/2000 CEFC	4.6	6.0	6.1	5.7	5.3	5.0	4.7
1/2000 CEFC	<u>4.7</u>	<u>5.5</u>	<u>5.5</u>	<u>5.5</u>	<u>5.5</u>	N/A	N/A
Difference	-0.1	0.5	0.6	0.2	-0.2		
10-Year Treasury Note Rate							
9/2000 CEFC	5.9	6.1	6.4	6.5	6.2	6.0	5.8
1/2000 CEFC	<u>5.6</u>	<u>6.5</u>	<u>6.5</u>	<u>6.5</u>	<u>6.5</u>	N/A	N/A
Difference	0.3	-0.4	-0.1	0.0	-0.3		

Detail Forecast delegated to the State Planning Office; reviewed and approved by the CEFC 9/20/00.

Bolded Amounts in 1999 are based on 12 months of actual data.

CONSENSUS ECONOMIC FORECASTING COMMISSION FINDINGS: 9/2000 Findings

		(Percent Change)																										
	CY1999 Actual	CY1999 Actual	CY2000							CY2001							CY2002					CY2003					CY2004	CY2005
			9/96 F'cast	12/97 Update	9/98 Update	1/99 Update	11/99 Update	1/00 Update	9/00 Update	9/96 F'cast	12/97 Update	9/98 Update	1/99 Update	11/99 Update	1/00 Update	9/00 Update	9/98 F'cast	1/99 Update	11/99 Update	1/00 Update	9/00 Update	9/98 F'cast	1/99 Update	11/99 Update	1/00 Update	9/00 Update	9/00 F'cast	9/00 F'cast
Maine Wage & Salary Employment			1.0	1.2	1.0	1.3	1.1	1.7	2.5	1.0	1.2	1.1	1.1	1.3	1.3	1.1	1.2	1.2	1.3	1.3	1.3	1.2	1.2	1.3	1.3	1.3	1.3	1.3
Maine Total Personal Income (nominal)			5.0	5.3	5.4	5.1	4.8	5.0	6.0	5.0	5.3	5.4	5.1	5.0	4.8	5.5	5.4	5.2	5.0	4.8	5.0	5.4	5.2	5.0	5.0	5.0	5.0	5.0
Consumer Price Index			3.0	3.0	2.8	2.8	2.5	2.5	3.0	3.0	3.0	3.0	3.0	2.5	2.5	2.5	3.0	3.0	2.5	2.5	2.5	2.9	3.0	2.5	2.5	2.5	2.5	2.5

Sources: • Report of the Maine State Revenue Forecasting Committee (November 1995);
• Report of the Maine State Revenue Forecasting Committee (February 1997);
• Report of the Maine State Revenue Forecasting Committee (December 1997);
• Report of the Maine State Revenue Forecasting Committee (December 1998);
• Report of the Maine State Revenue Forecasting Committee (June 1999);
• Report of the Maine State Revenue Forecasting Committee (December 1999);
• Report of the Maine State Revenue Forecasting Committee (March 2000); and
• Data from the Consensus Economic Forecasting Committee (September 2000).

Maine Consensus Economic Forecasting Commission
Forecast of Sept. 20, 2000

	History						Forecast					
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
	Rate or Annual Growth Rate											
CPI-u	-	2.8%	3.0%	2.3%	1.6%	2.2%	3.0%	2.5%	2.5%	2.5%	2.5%	2.5%
Me. Unemployment Rate	7.4	5.7	5.1	5.4	4.4	4.1	3.4	3.8	4.3	4.6	4.8	4.9
3-Month Treasury Bill Rate	4.2%	5.5%	5.0%	5.1%	4.8%	4.6%	6.0%	6.1%	5.7%	5.3%	5.0%	4.7%
10-Year Treasury Note Rate	7.4%	6.9%	6.7%	6.6%	5.6%	5.9%	6.1%	6.4%	6.5%	6.2%	6.0%	5.8%
Maine Agricultural Empl. (1,000's)	14.5	14.4	14.3	13.8	16.1	13.4	14.0	14.0	14.0	14.0	14.0	14.0
	Employment Levels (1,000's)											
Maine Wage & Salary Employment	531.1	538.1	542.5	553.7	569.2	585.8	600.3	606.6	614.5	622.3	630.2	638.0
Mining	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Construction	21.0	21.7	23.1	23.3	25.0	28.1	29.4	30.0	30.9	31.8	32.8	33.8
Manufacturing	91.4	91.0	88.3	87.8	87.1	86.1	85.9	85.4	85.0	84.3	83.7	83.1
Transp/Commun./Publ. Utils.	22.6	22.3	22.6	23.1	23.6	24.0	24.2	24.5	24.6	24.7	24.8	24.8
Wholesale Trade	23.9	25.1	25.8	26.0	26.4	27.3	28.2	28.6	29.0	29.6	29.9	30.2
Retail Trade	110.2	111.9	111.4	113.4	115.9	119.0	121.8	122.7	124.5	125.3	126.7	128.1
FIRE	26.3	26.0	27.1	28.4	29.7	31.0	30.7	30.6	30.7	30.8	30.8	30.9
Services	141.4	146.7	151.2	158.7	166.8	174.1	180.7	185.0	189.5	194.7	199.6	204.7
Government	94.2	93.3	92.8	93.0	94.6	96.1	99.1	99.8	100.3	101.0	101.8	102.3
	Annual Growth Rates											
Maine Wage & Salary Employment	-	1.3%	0.8%	2.1%	2.8%	2.9%	2.5%	1.1%	1.3%	1.3%	1.3%	1.3%
Mining	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Construction	-	3.3%	6.7%	0.7%	7.4%	12.1%	5.0%	1.9%	3.0%	2.9%	3.1%	3.0%
Manufacturing	-	-0.4%	-3.0%	-0.6%	-0.8%	-1.1%	-0.3%	-0.6%	-0.5%	-0.8%	-0.7%	-0.7%
Transp/Commun./Publ. Utils.	-	-1.2%	1.4%	2.0%	2.0%	1.6%	1.2%	1.0%	0.6%	0.3%	0.2%	0.2%
Wholesale Trade	-	4.7%	2.9%	0.6%	1.9%	3.1%	3.6%	1.2%	1.5%	2.1%	1.0%	1.0%
Retail Trade	-	1.5%	-0.4%	1.8%	2.2%	2.7%	2.3%	0.7%	1.5%	0.6%	1.1%	1.1%
FIRE	-	-1.0%	3.9%	5.0%	4.6%	4.4%	-0.9%	-0.5%	0.3%	0.3%	0.2%	0.2%
Services	-	3.7%	3.1%	5.0%	5.1%	4.4%	3.8%	2.4%	2.4%	2.7%	2.5%	2.6%
Government	-	-0.9%	-0.5%	0.2%	1.8%	1.6%	3.1%	0.7%	0.5%	0.8%	0.7%	0.5%
	Million \$ - at Seas. Adjusted Annual Rates											
Personal income	24173.9	25045.9	26433.8	27885.7	29315.8	31135.0	33003.1	34818.3	36559.2	38387.1	40306.5	42321.8
Wage and salary disbursements	12408.4	12923.4	13456.4	14325.5	15241.3	16417.8	17458.6	18488.5	19486.0	20537.1	21644.6	22811.5
Other labor income	2121.8	2064.8	2103.9	2126.7	2184.8	2299.3	2409.2	2527.3	2633.6	2762.6	2902.1	3047.2
Non-farm Proprietors' income	1885.6	1791.9	1958.8	2094.3	2199.9	2379.5	2574.2	2715.8	2851.6	2994.2	3143.9	3301.1
plus: Dividends, interest, and re	4346.6	4690.8	5037.1	5346.9	5630.1	5881.8	6171.6	6511.0	6836.6	7178.4	7537.3	7914.2
plus: Transfer payments	4190.6	4401.6	4696.9	4902.1	4964.7	5122.3	5379.5	5605.7	5812.9	6026.8	6247.5	6475.2
less: Personal contrb. for social	999.7	1051.0	1084.6	1147.5	1202.6	1283.3	1353.1	1427.5	1498.9	1573.9	1652.6	1735.2
plus: Adjustment for residence	140.0	183.1	208.5	238.3	278.1	297.5	330.0	348.2	365.6	383.9	403.1	423.2
Farm Income	145.4	113.9	145.0	79.2	100.5	106.8	85.8	83.6	80.4	76.8	80.6	84.6
	Annual Growth Rates											
Personal income	-	3.6%	5.5%	5.5%	5.1%	6.2%	6.0%	5.5%	5.0%	5.0%	5.0%	5.0%
Wage and salary disbursements	-	4.2%	4.1%	6.5%	6.4%	7.7%	6.3%	5.9%	5.4%	5.4%	5.4%	5.4%
Other labor income	-	-2.7%	1.9%	1.1%	2.7%	5.2%	4.8%	4.9%	4.2%	4.9%	5.0%	5.0%
Non-farm Proprietors' income	-	-5.0%	9.3%	6.9%	5.0%	8.2%	8.2%	5.5%	5.0%	5.0%	5.0%	5.0%
plus: Dividends, interest, and re	-	7.9%	7.4%	6.2%	5.3%	4.5%	4.9%	5.5%	5.0%	5.0%	5.0%	5.0%
plus: Transfer payments	-	5.0%	6.5%	4.6%	1.3%	3.2%	5.0%	4.2%	3.7%	3.7%	3.7%	3.6%
less: Personal contrb. for social	-	5.1%	3.2%	5.8%	4.8%	6.7%	5.4%	5.5%	5.0%	5.0%	5.0%	5.0%
plus: Adjustment for residence	-	30.8%	13.9%	14.3%	16.7%	7.0%	10.9%	5.5%	5.0%	5.0%	5.0%	5.0%
Farm Income	-	-21.7%	27.3%	-45.3%	26.8%	6.2%	-19.6%	-2.6%	-3.7%	-4.5%	5.0%	5.0%

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(income adjustments in R:\Revenues\incforc0R.123)

CEFC Forecasts	Annual Percent Change										
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
<u>Apr. 1993</u>											
Wage & Salary Employment	1.4%	1.9%	2.0%								
Total Personal Income	6.0%	7.0%	7.5%								
Consumer Price Index											
<u>Oct. 1994</u>											
Wage & Salary Employment		1.4%	1.5%	1.5%	1.5%						
Total Personal Income		4.5%	5.9%	5.8%	6.1%						
Consumer Price Index		2.7%	3.3%	3.4%	3.5%						
<u>Apr. 1995</u>											
Wage & Salary Employment			1.5%	1.5%	1.5%						
Total Personal Income			5.9%	5.9%	6.2%						
Consumer Price Index											
<u>Fall 1995</u>											
Wage & Salary Employment			2.1%	1.5%	1.2%	1.3%					
Total Personal Income			5.4%	5.1%	5.0%	5.0%					
Consumer Price Index											
<u>Sept. 1996</u>											
Wage & Salary Employment					0.7%	1.0%	1.2%	1.0%	1.0%		
Total Personal Income					5.0%	5.0%	5.0%	5.0%	5.0%		
Consumer Price Index					3.0%	3.0%	3.0%	3.0%	3.0%		
<u>Oct. 1997</u>											
Wage & Salary Employment					1.5%	1.0%	1.2%	1.2%	1.2%		
Total Personal Income					6.0%	5.5%	5.3%	5.3%	5.3%		
Consumer Price Index					2.7%	2.9%	3.0%	3.0%	3.0%		
<u>Sept. 1998</u>											
Wage & Salary Employment						1.6%	1.0%	1.0%	1.1%	1.2%	1.2%
Total Personal Income						5.5%	5.2%	5.4%	5.4%	5.4%	5.4%
Consumer Price Index						1.7%	2.8%	2.8%	3.0%	3.0%	2.9%
<u>Jan. 1999</u>											
Wage & Salary Employment						2.0%	1.5%	1.3%	1.1%	1.2%	1.2%
Total Personal Income						5.0%	5.0%	5.1%	5.1%	5.2%	5.2%
Consumer Price Index						1.7%	2.8%	2.8%	3.0%	3.0%	2.9%
<u>Nov. 1999</u>											
Wage & Salary Employment							2.5%	1.1%	1.3%	1.3%	1.3%
Total Personal Income							5.0%	4.8%	5.0%	5.0%	5.0%
Consumer Price Index							2.2%	2.5%	2.5%	2.5%	2.5%
<u>Feb. 2000</u>											
Wage & Salary Employment							2.6%	1.7%	1.3%	1.3%	1.3%
Total Personal Income							5.0%	5.0%	4.8%	4.8%	5.0%
Consumer Price Index							2.2%	2.5%	2.5%	2.5%	2.5%
<u>Sep. 2000</u>											
Wage & Salary Employment								2.5%	1.1%	1.3%	1.3%
Total Personal Income								6.0%	5.5%	5.0%	5.0%
Consumer Price Index								3.0%	2.5%	2.5%	2.5%
<u>Actual (as of Sep. 2000)</u>											
Wage & Salary Employment	1.4%	2.3%	1.2%	0.8%	2.1%	2.8%	2.9%				
Total Personal Income	2.7%	3.8%	3.6%	5.5%	5.5%	5.1%	6.2%				
Consumer Price Index	3.0%	2.6%	2.8%	3.0%	2.3%	1.6%	2.2%				

NOTE ON DATA REVISIONS:

Wage & Salary "Employment data for the previous 2 yrs. is revised in March of each year. Source is Me. Dept. of Labor.

Personal Income data (quarterly) becomes available about 4 months after a qtr. ends & typically involves revisions for the 3 previous years as well as available qtrs. of the current year. Revisions can change annual growth rates by 1% to 1.5% or more. For example, data released in the Fall of 1997 showed growth rates for Me.

of 1994 = 3.2% and 1995 = 5.3%, by the Fall of 1998, the growth rates were 1994 = 3.8% and 1995 = 4.0%. Data is from U.S. Dept. of Commerce; Bur. of Economic Analysis

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Table 2.—Personal Income, by State and Region, 1995-99

[Millions of dollars]

	1995	1996	1997 ^r	1998 ^r	1999 ^r	Percent change				Rank of percent change in 1998-99
						1995-96	1996-97	1997-98	1998-99	
United States	6,192,235	6,538,103	6,928,762	7,383,687	7,783,152	5.6	6.0	6.6	5.4
New England										
Connecticut	104,315	109,354	116,347	122,564	128,983	4.8	6.4	5.3	5.2	21
Maine	25,046	26,434	27,774	29,353	30,828	5.5	5.1	5.7	5.0	27
Massachusetts	170,052	180,237	191,613	205,189	219,533	6.0	6.3	7.1	7.0	5
New Hampshire	28,650	30,228	32,389	35,194	37,372	5.5	7.1	8.7	6.2	9
Rhode Island	23,787	24,818	26,284	27,667	29,107	4.3	5.9	5.3	5.2	22
Vermont	12,449	13,073	13,752	14,648	15,371	5.0	5.2	6.5	4.9	28
Mideast										
Delaware	18,237	19,369	20,143	22,003	23,192	6.2	4.0	9.2	5.4	18
District of Columbia ..	18,217	18,517	19,081	19,665	20,686	1.6	3.0	3.1	5.2
Maryland	135,115	140,809	148,826	158,264	167,895	4.2	5.7	6.3	6.1	10
New Jersey	233,209	246,659	260,727	277,757	289,503	5.8	5.7	6.5	4.2	38
New York	503,163	530,990	553,004	585,372	616,678	5.5	4.1	5.9	5.3	19
Pennsylvania	285,923	299,001	313,523	328,364	343,088	4.6	4.9	4.7	4.5	33
Great Lakes										
Illinois	304,767	322,790	340,490	361,775	377,744	5.9	5.5	6.3	4.4	36
Indiana	126,525	132,890	139,454	148,767	155,365	5.0	4.9	6.7	4.4	34
Michigan	231,594	238,095	250,211	263,252	277,296	2.8	5.1	5.2	5.3	20
Ohio	255,313	264,162	279,342	294,027	305,643	3.5	5.7	5.3	4.0	41
Wisconsin	115,960	121,864	128,912	137,056	143,811	5.1	5.8	6.3	4.9	29
Plains										
Iowa	60,171	64,696	67,930	71,080	73,499	7.5	5.0	4.6	3.4	45
Kansas	56,627	60,074	63,721	67,780	71,194	6.1	6.1	6.4	5.0	25
Minnesota	113,217	122,080	129,136	139,442	147,050	7.8	5.8	8.0	5.5	17
Missouri	117,640	123,992	131,131	138,128	144,235	5.4	5.8	5.3	4.4	35
Nebraska	36,293	39,618	40,722	42,949	45,065	9.2	2.8	5.5	4.9	30
North Dakota	12,243	13,607	13,330	14,521	14,773	11.1	-2.0	8.9	1.7	50
South Dakota	14,454	15,883	16,280	17,391	18,361	9.9	2.5	6.8	5.6	16
Southeast										
Alabama	83,903	87,221	91,283	96,257	100,452	4.0	4.7	5.4	4.4	37
Arkansas	45,995	48,700	51,059	53,962	56,752	5.9	4.8	5.7	5.2	24
Florida	333,525	355,136	377,681	401,474	419,792	6.5	6.3	6.3	4.6	32
Georgia	159,800	172,935	183,762	199,576	212,929	8.2	6.3	8.6	6.7	7
Kentucky	74,080	78,221	82,905	87,945	92,036	5.6	6.0	6.1	4.7	31
Louisiana	84,573	87,879	92,290	97,516	99,887	3.9	5.0	5.7	2.4	49
Mississippi	46,242	48,898	51,589	55,063	57,278	5.7	5.5	6.7	4.0	39
North Carolina	157,634	167,638	179,688	192,070	198,943	6.3	7.2	6.9	3.6	43
South Carolina	72,050	76,287	81,049	86,560	91,490	5.9	6.2	6.8	5.7	15
Tennessee	114,260	119,287	125,449	133,514	140,234	4.4	5.2	6.4	5.0	26
Virginia	161,442	169,938	180,226	192,429	204,736	5.3	6.1	6.8	6.4	8
West Virginia	32,611	33,771	35,200	36,679	37,884	3.6	4.2	4.2	3.3	46
Southwest										
Arizona	88,870	95,787	103,704	112,635	120,360	7.8	8.3	8.6	6.9	6
New Mexico	31,716	33,232	34,861	36,712	38,020	4.8	4.9	5.3	3.6	44
Oklahoma	63,333	66,289	69,952	74,133	77,077	4.7	5.5	6.0	4.0	40
Texas	402,097	428,726	469,205	508,636	538,345	6.6	9.4	8.4	5.8	13
Rocky Mountain										
Colorado	92,947	100,012	108,763	118,514	127,955	7.6	8.7	9.0	8.0	2
Idaho	22,869	24,173	25,217	26,986	28,582	5.7	4.3	7.0	5.9	11
Montana	16,297	16,992	17,721	18,755	19,438	4.3	4.3	5.8	3.6	42
Utah	37,278	40,354	43,696	46,831	49,600	8.3	8.3	7.2	5.9	12
Wyoming	10,293	10,609	11,434	11,966	12,660	3.1	7.8	4.6	5.8	14
Far West										
Alaska	15,513	15,762	16,465	17,167	17,704	1.6	4.5	4.3	3.1	47
California	771,470	812,404	862,114	924,253	991,382	5.3	6.1	7.2	7.3	4
Hawaii	30,202	30,393	31,209	31,815	32,653	.6	2.7	1.9	2.6	48
Nevada	39,377	43,331	47,254	51,976	56,127	10.0	9.1	10.0	8.0	1
Oregon	71,209	75,561	80,578	85,197	89,614	6.1	6.6	5.7	5.2	23
Washington	129,681	139,328	150,283	162,855	174,948	7.4	7.9	8.4	7.4	3
BEA regions										
New England	364,297	384,144	408,160	434,615	461,194	5.4	6.3	6.5	6.1	3
Mideast	1,193,865	1,255,345	1,315,305	1,391,425	1,461,043	5.1	4.8	5.8	5.0	5
Great Lakes	1,034,159	1,079,799	1,138,409	1,204,878	1,259,859	4.4	5.4	5.8	4.6	8
Plains	410,645	439,948	462,250	491,292	514,176	7.1	5.1	6.3	4.7	7
Southeast	1,366,116	1,445,912	1,532,182	1,633,047	1,712,414	5.8	6.0	6.6	4.9	6
Southwest	586,017	624,034	677,722	732,117	773,803	6.5	8.6	8.0	5.7	4
Rocky Mountain	179,684	192,141	206,831	223,051	238,235	6.9	7.6	7.8	6.8	2
Far West	1,057,453	1,116,779	1,187,903	1,273,263	1,362,427	5.6	6.4	7.2	7.0	1

^r Revised.

Source: Bureau of Economic Analysis, U.S. Department of Commerce.

Note: Percent changes are calculated based on unrounded data.

Table 6.—Revisions to Personal Income for States and Regions for 1997-99
[Millions of dollars]

	Revised			Percent revision		
	1997	1998	1999	1997	1998	1999
United States	6,928,762	7,383,687	7,783,152	-0.2	0.4	0.1
New England	408,160	434,615	461,194	-5	0	-3
Connecticut	116,347	122,564	128,983	-1	.3	.3
Maine	27,774	29,353	30,828	-4	.1	-1.4
Massachusetts	191,613	205,189	219,533	-8	-3	-5
New Hampshire	32,389	35,194	37,372	-5	.7	.7
Rhode Island	26,284	27,667	29,107	-8	-9	-1.2
Vermont	13,752	14,648	15,371	-1	.8	0
Mideast	1,315,305	1,391,425	1,461,043	-3	.2	-3
Delaware	20,143	22,003	23,192	-7	.6	.3
District of Columbia	19,081	19,665	20,686	2.4	3.6	4.3
Maryland	148,826	158,264	167,895	.4	1.0	.9
New Jersey	260,727	277,757	289,503	-6	-2	-1.5
New York	553,004	585,372	616,678	-2	.4	-2
Pennsylvania	313,523	328,364	343,088	-5	-4	-2
Great Lakes	1,138,409	1,204,878	1,259,859	-5	.1	.2
Illinois	340,490	361,775	377,744	-4	.4	-4
Indiana	139,454	148,767	155,365	-7	.1	.2
Michigan	250,211	263,252	277,296	-8	-3	1.0
Ohio	279,342	294,027	305,643	-3	.4	.3
Wisconsin	128,912	137,056	143,811	-6	-1	-1
Plains	462,250	491,292	514,176	-3	.6	.2
Iowa	67,930	71,080	73,499	-4	.4	-4
Kansas	63,721	67,780	71,194	-2	.6	.7
Minnesota	129,136	139,442	147,050	0	.8	.6
Missouri	131,131	138,128	144,235	-5	1.0	.7
Nebraska	40,722	42,949	45,065	-7	-2	-1.4
North Dakota	13,330	14,521	14,773	-4	-5	-9
South Dakota	16,280	17,391	18,361	-6	.3	-2
Southeast	1,532,182	1,633,047	1,712,414	-1	.7	0
Alabama	91,283	96,257	100,452	-6	.3	.2
Arkansas	51,059	53,962	56,752	-6	.4	.6
Florida	377,681	401,474	419,792	.3	.3	-9
Georgia	183,762	199,576	212,929	-2	1.1	.5
Kentucky	82,905	87,945	92,036	-3	.8	.3
Louisiana	92,290	97,516	99,887	-2	.7	.2
Mississippi	51,589	55,063	57,278	.1	1.2	.9
North Carolina	179,688	192,070	198,943	-1	1.1	-8
South Carolina	81,049	86,560	91,490	-1	.8	.2
Tennessee	125,449	133,514	140,234	-5	.6	0
Virginia	180,226	192,429	204,736	-2	1.0	1.0
West Virginia	35,200	36,679	37,884	-1	.3	.4
Southwest	677,722	732,117	773,803	.7	1.2	.8
Arizona	103,704	112,635	120,360	-3	-3	-5
New Mexico	34,861	36,712	38,020	-3	.1	-1.0
Oklahoma	69,952	74,133	77,077	.1	1.1	.7
Texas	469,205	508,636	538,345	1.0	1.7	1.3
Rocky Mountain	206,831	223,051	238,235	-3	-1	-6
Colorado	108,763	118,514	127,955	-4	-4	-4
Idaho	25,217	26,986	28,582	-9	-7	-2.6
Montana	17,721	18,755	19,438	.2	.4	-1.3
Utah	43,696	46,831	49,600	-2	.2	-3
Wyoming	11,434	11,966	12,660	.9	2.5	1.5
Far West	1,187,903	1,273,263	1,362,427	-2	.4	.3
Alaska	16,465	17,167	17,704	.2	.3	.2
California	862,114	924,253	991,382	-1	.4	.3
Hawaii	31,209	31,815	32,653	-2	-1	-1.1
Nevada	47,254	51,976	56,127	-1	2.1	2.2
Oregon	80,578	85,197	89,614	-6	.2	-4
Washington	150,283	162,855	174,948	-7	-3	.3

Source: Bureau of Economic Analysis, U.S. Department of Commerce.

Sales & Use Tax

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**Maine Revenue Services
Taxable Sales by Sector
In Thousands of Dollars**

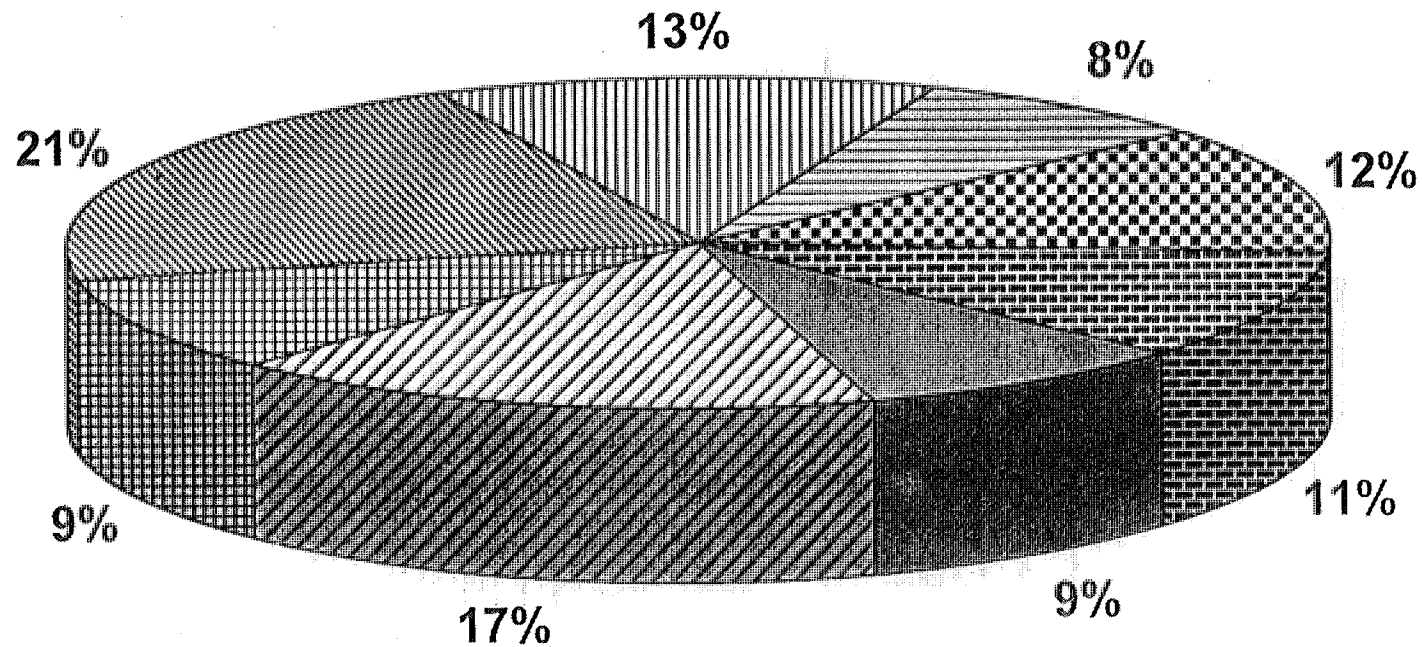
	Aug '00	% Ch.	Aug '99	% Ch.	Aug '98	Average Last 3 Mos. Vs. Last Yr. % Change	Moving Total Last 12 Mos. Vs. Prior % Change
Building Supply	\$162,957	9%	\$150,047	25%	\$119,811	8%	12%
Food Store	\$132,263	10%	\$120,502	-8%	\$130,727	4%	6%
General Merchandise	\$235,825	0%	\$236,863	3%	\$228,887	6%	5%
Other Retail	\$151,260	13%	\$134,019	1%	\$133,328	9%	5%
Auto/Transportation	\$319,861	26%	\$253,989	-2%	\$258,285	11%	12%
Restaurant/lodging	\$289,424	10%	\$263,329	3%	\$256,352	7%	7%
Consumer Sales	\$1,291,589	11%	\$1,158,750	3%	\$1,127,389	8%	8%
Business Operating	\$151,262	4%	\$145,161	16%	\$125,120	-6%	-2%
Total	\$1,442,851	11%	\$1,303,911	4%	\$1,252,510	6%	7%
Utilities	\$102,764	49%	\$68,927	-20%	\$86,252		
Total including Utilities	\$1,545,615	13%	\$1,372,838	3%	\$1,338,761		

Maine Revenue Services
Percentage Change in Taxable Sales by Sector

This table shows growth in taxable sales after adjusting for a reporting anomaly that occurred in the Auto/Transportation Sector in August, 1999.

	August 2000 vs. August 1999 % Change	Average Jun - Aug Vs. Last Yr. % Change	Average First Quarter Vs. Last Yr. % Change
Building Supply	9%	8%	17%
Food Store	10%	4%	5%
General Merchandise	0%	6%	3%
Other Retail	13%	9%	5%
Auto/Transportation	6%	5%	13%
Restaurant/lodging	10%	7%	6%
Consumer Sales	7%	6%	8%
Business Operating	4%	-6%	-2%
Total	7%	5%	7%

1999 Maine Taxable Sales by Sector



■ BUS. OP.

■ GEN. MDSE.

■ RESTAU/LODGING

■ BLDG. SUPPLY

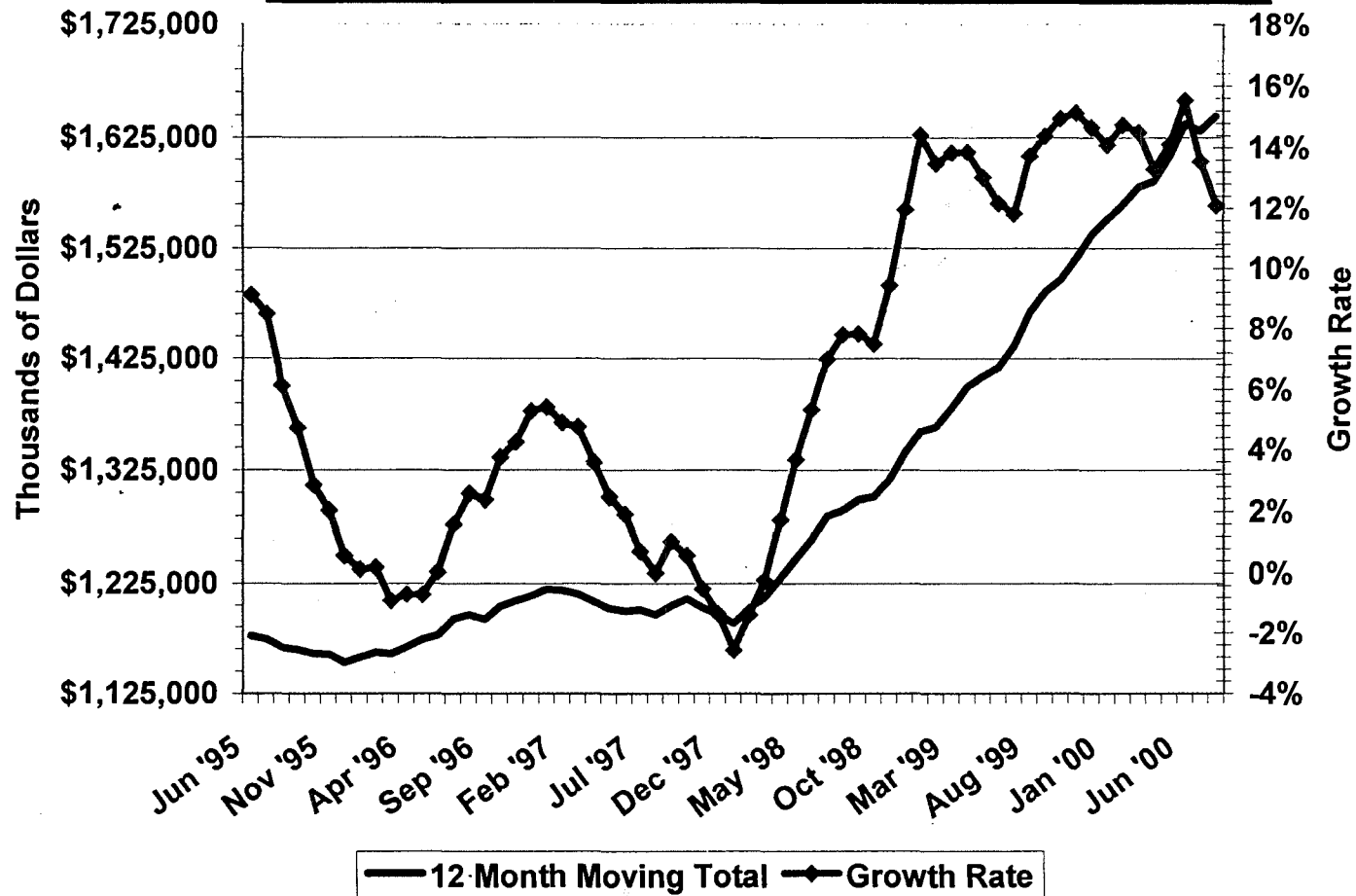
■ OTHER RETAIL

■ UTILITIES

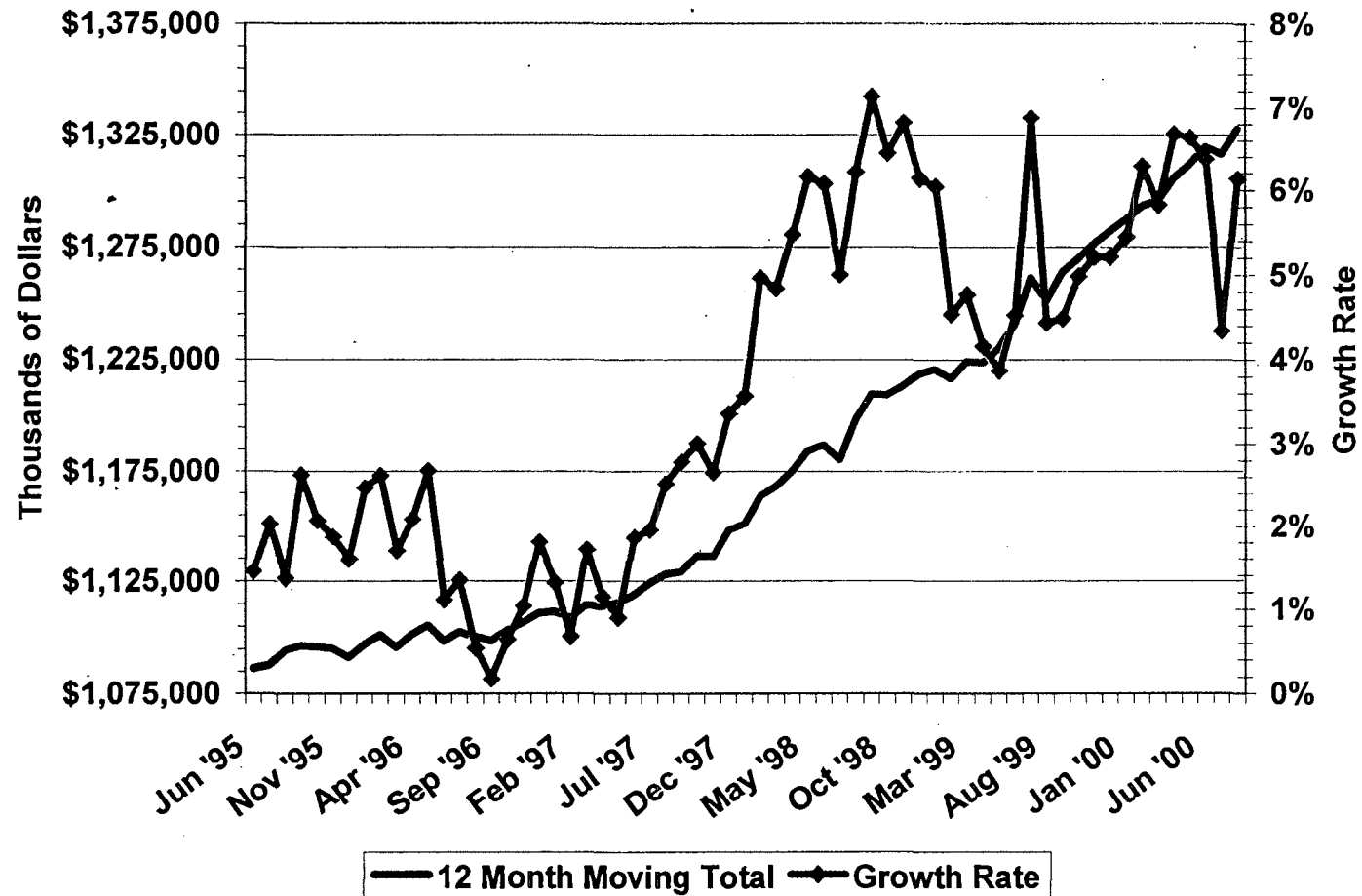
■ FOOD STORE

■ AUTO/TRANS.

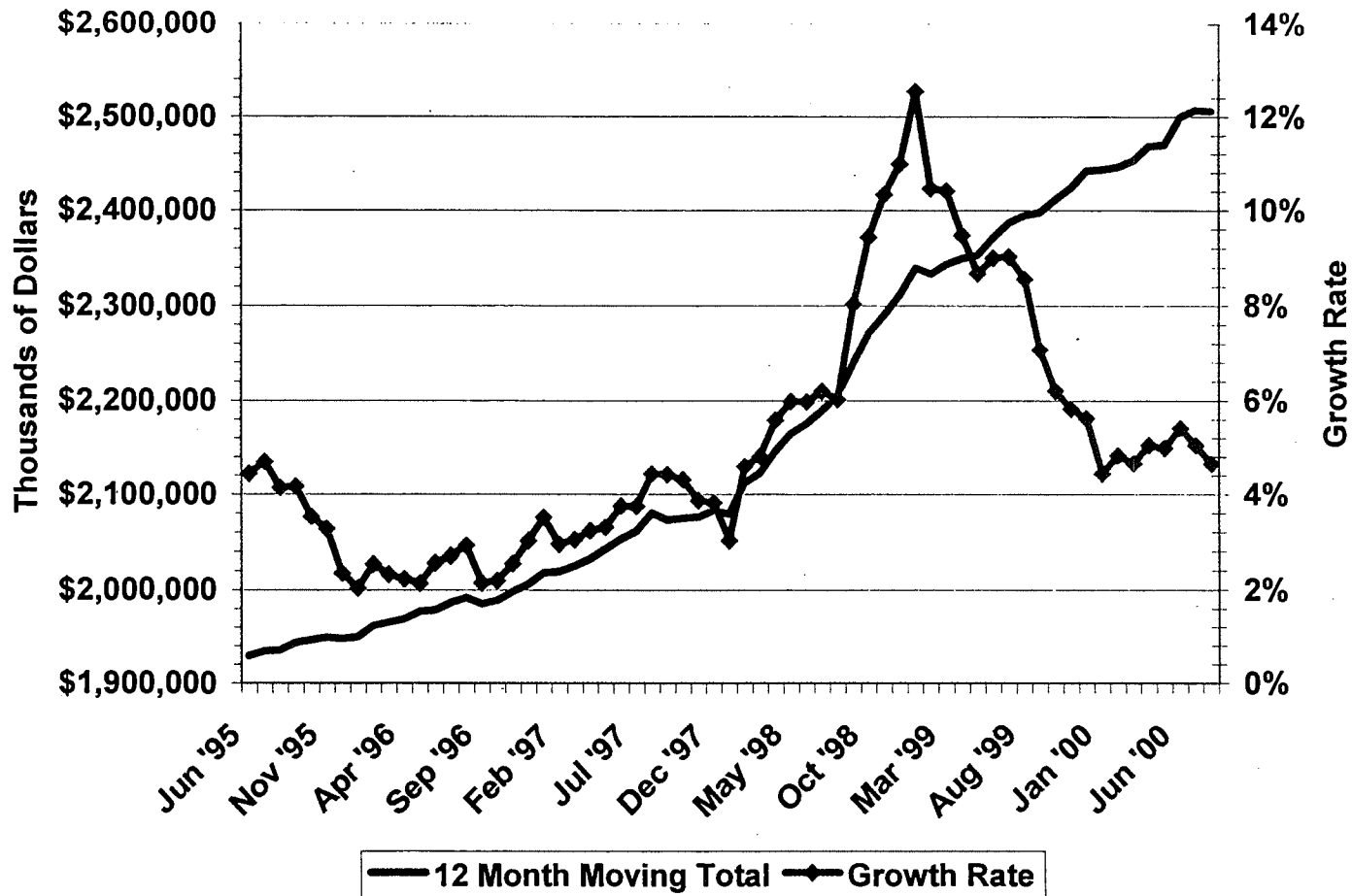
Building Supply Taxable Sales June 1995 to Date



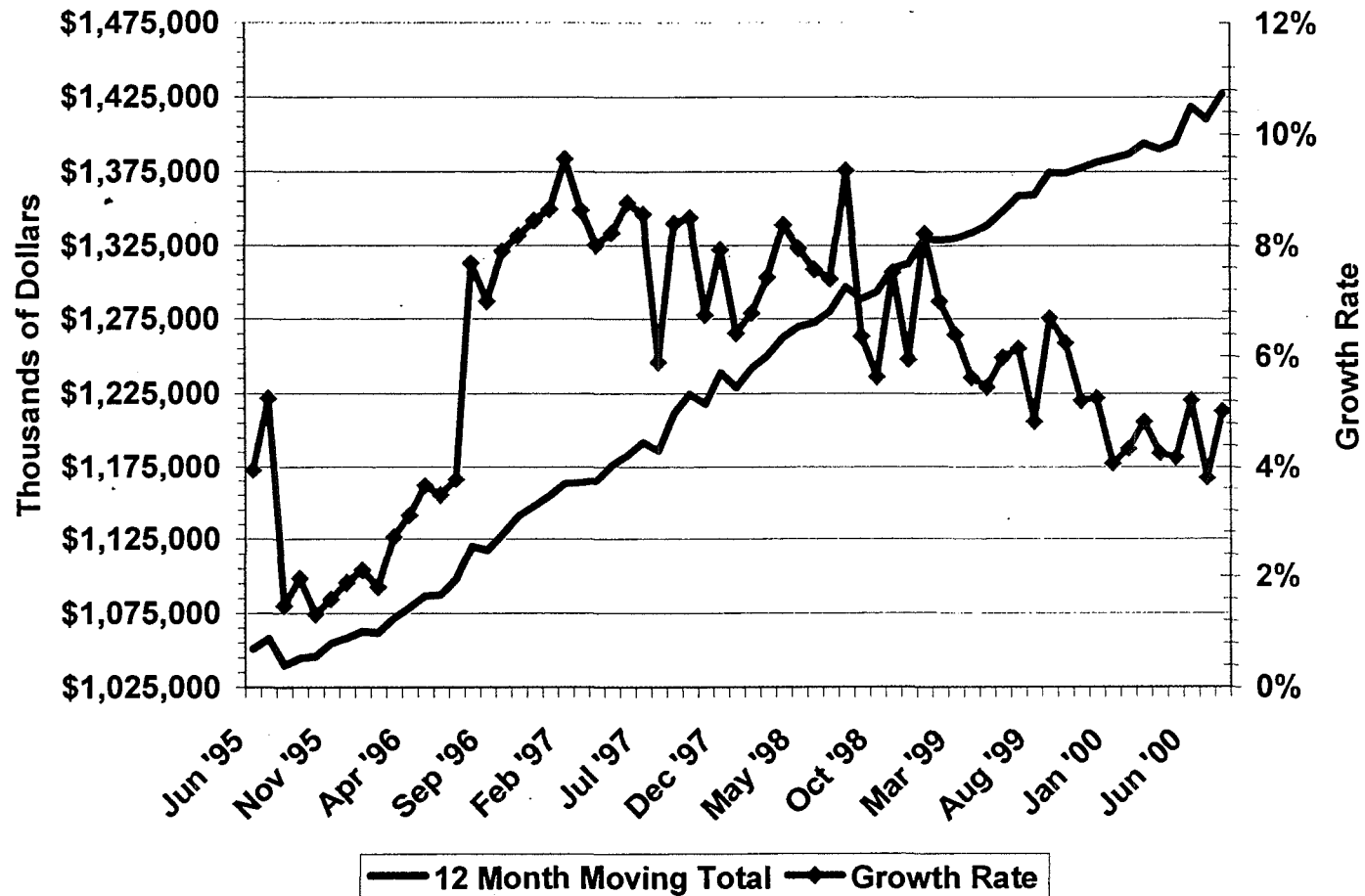
Food Store Taxable Sales June 1995 to Date



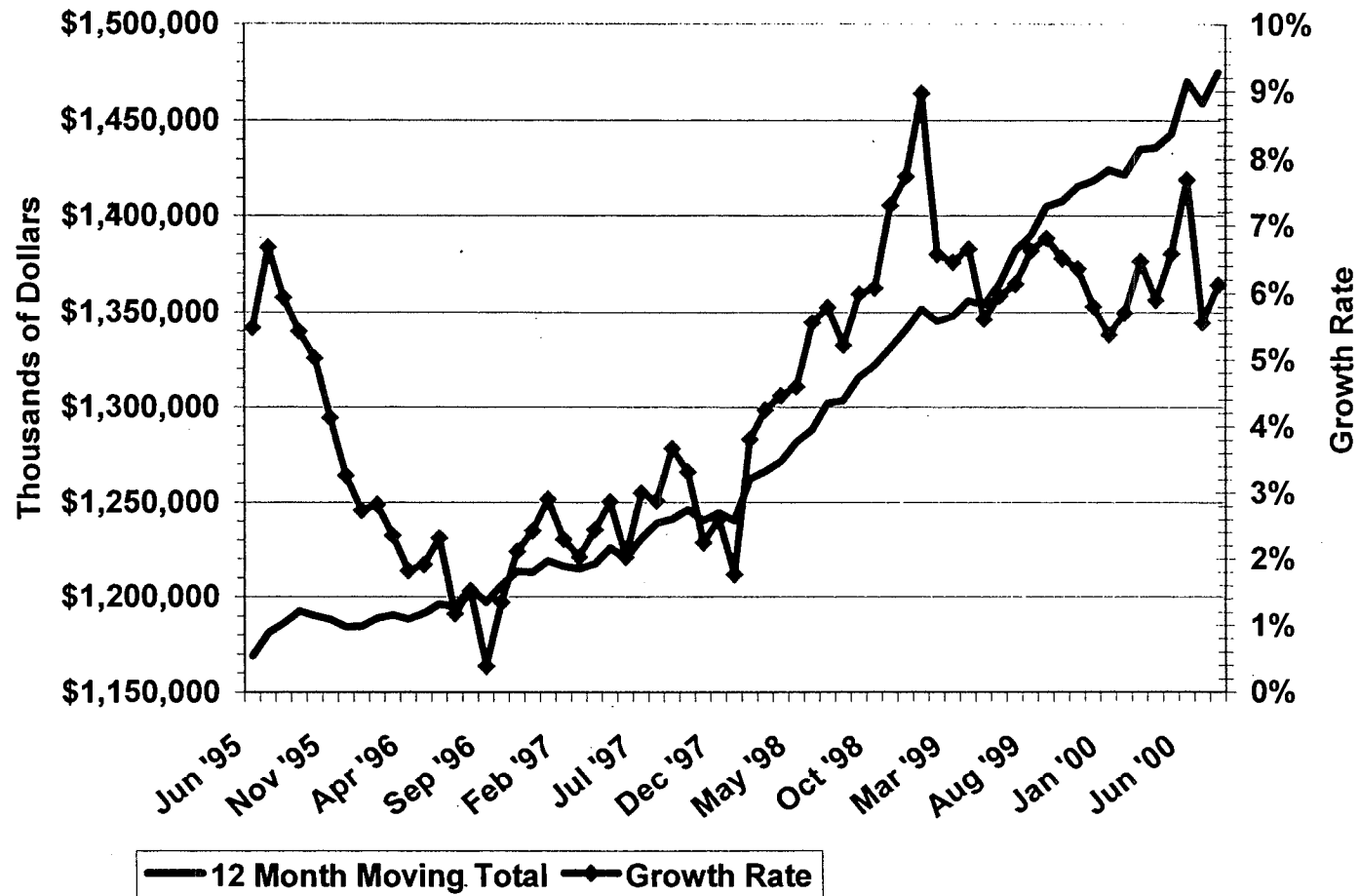
General Merchandise Taxable Sales June 1995 to Date



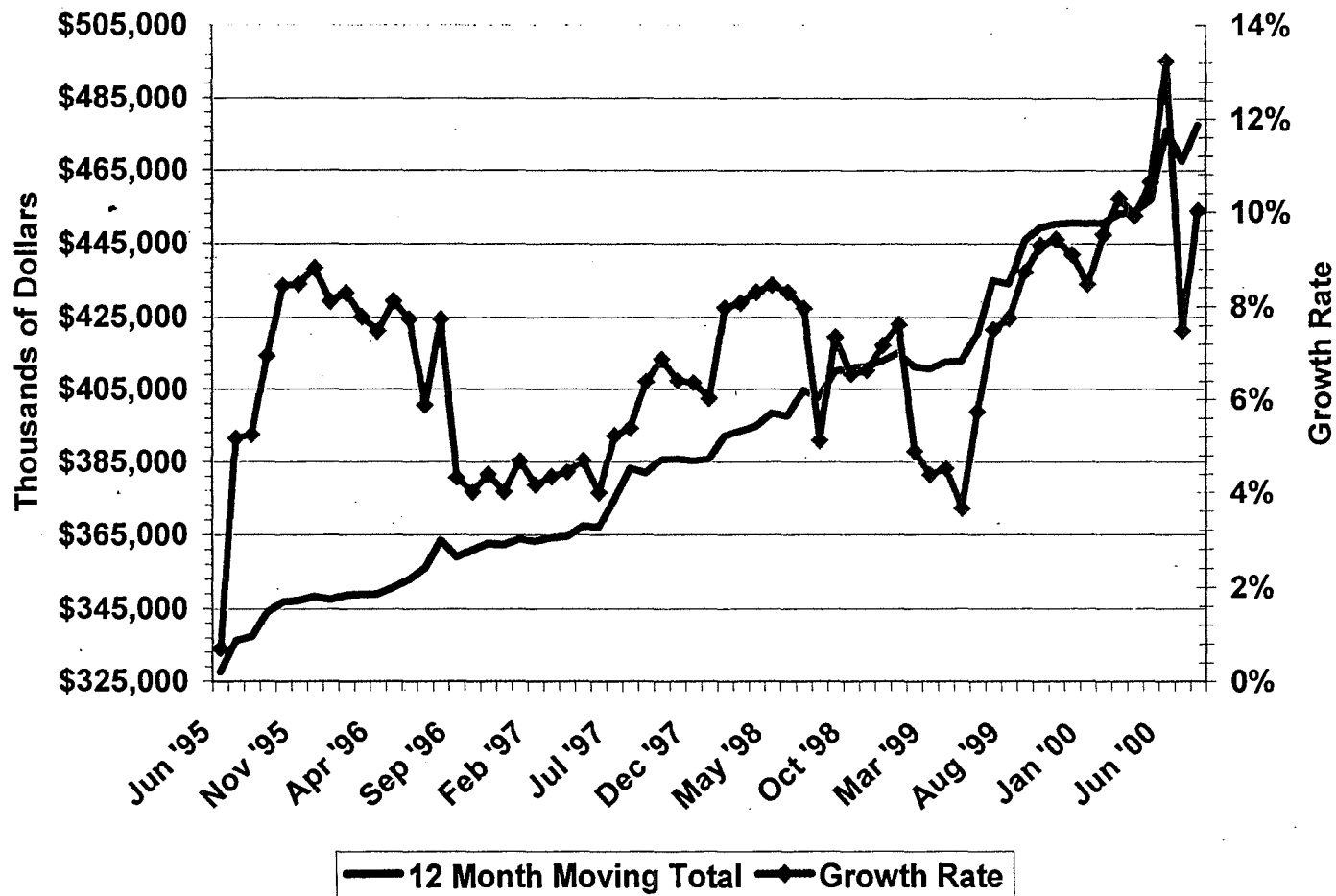
Other Retail Taxable Sales June 1995 to Date



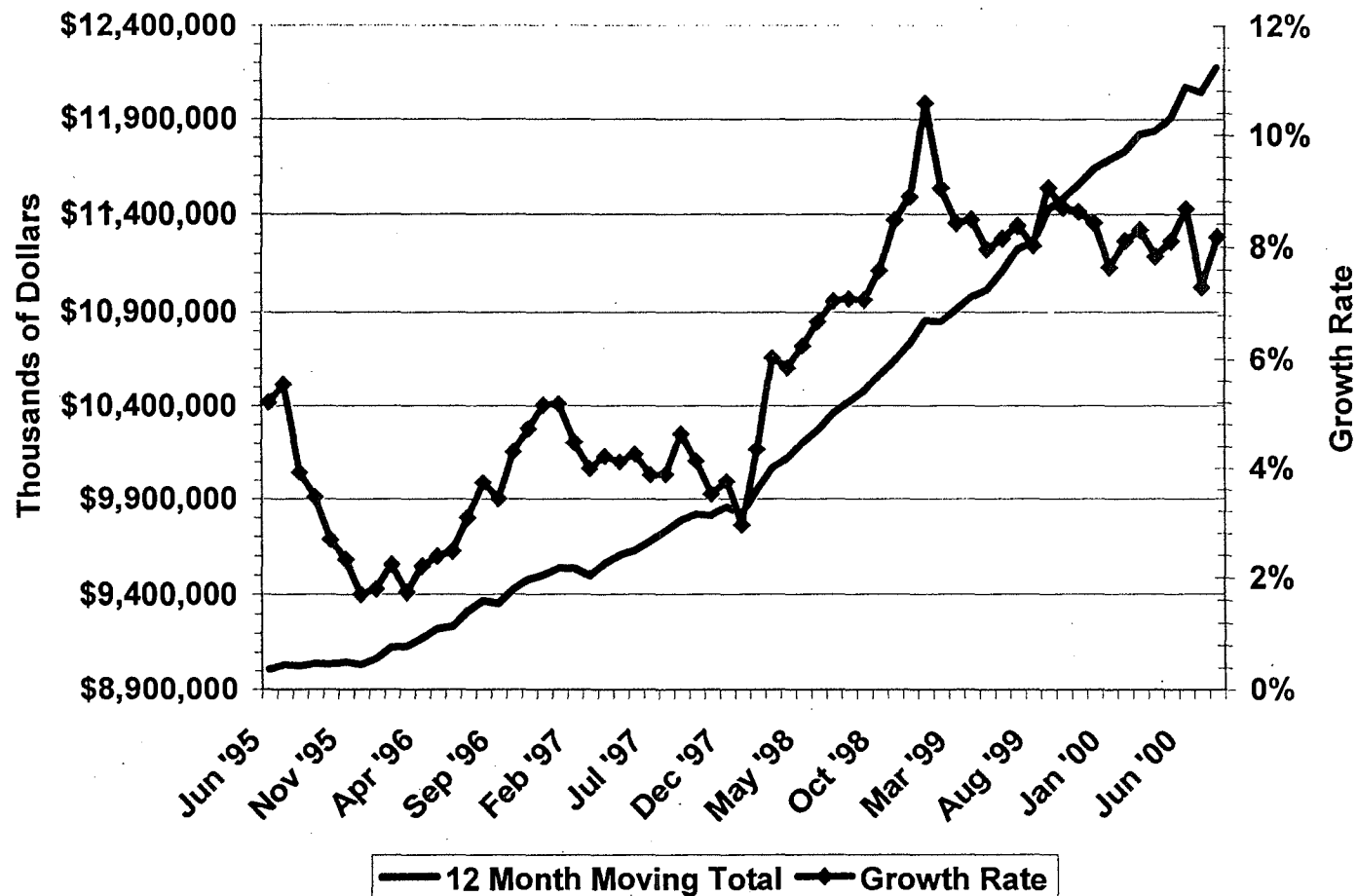
Restaurant Taxable Sales June 1995 to Date



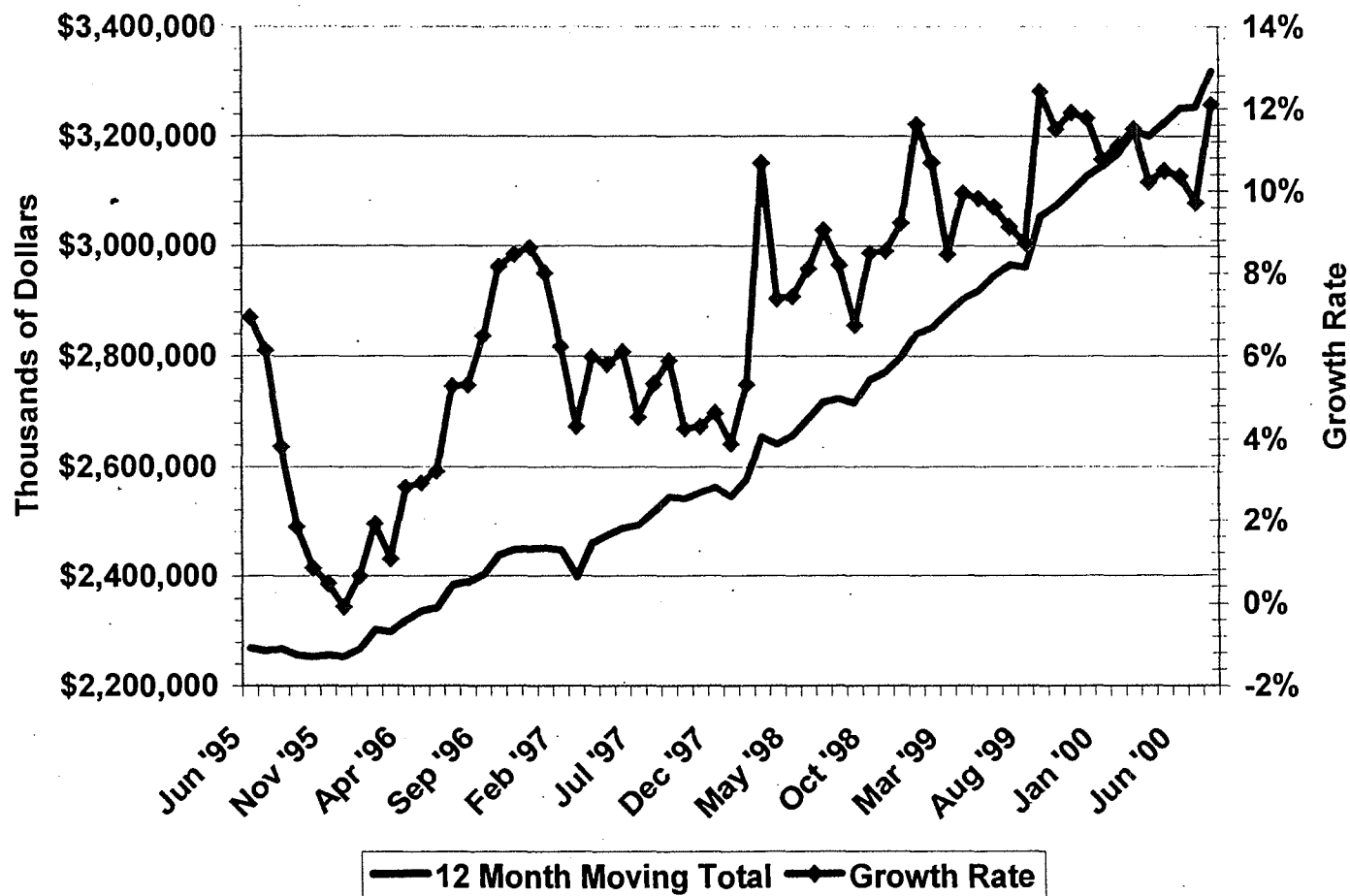
Lodging Taxable Sales June 1995 to Date



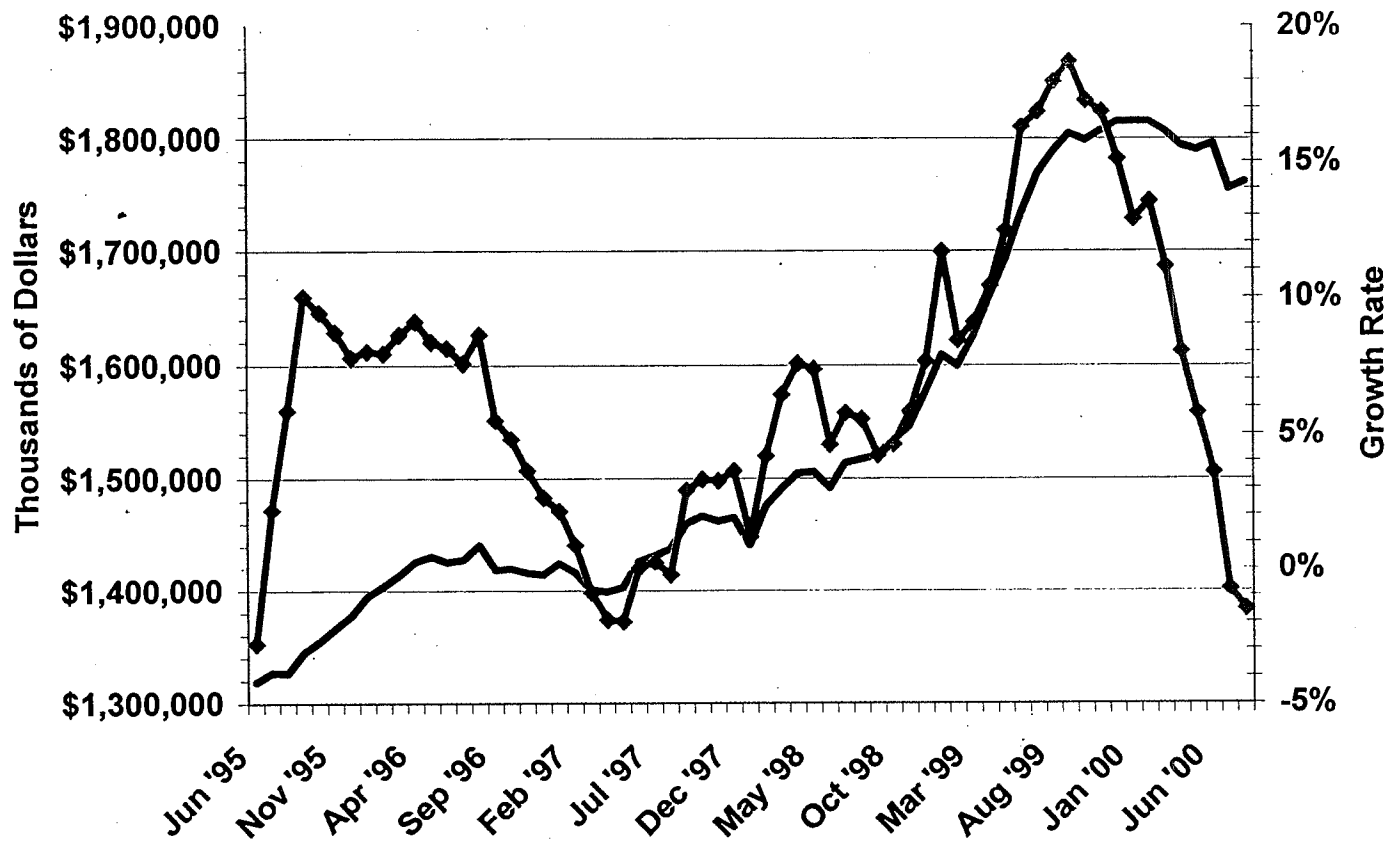
Total Consumer Taxable Sales June 1995 to Date



Auto/Transportation Taxable Sales June 1995 to Date

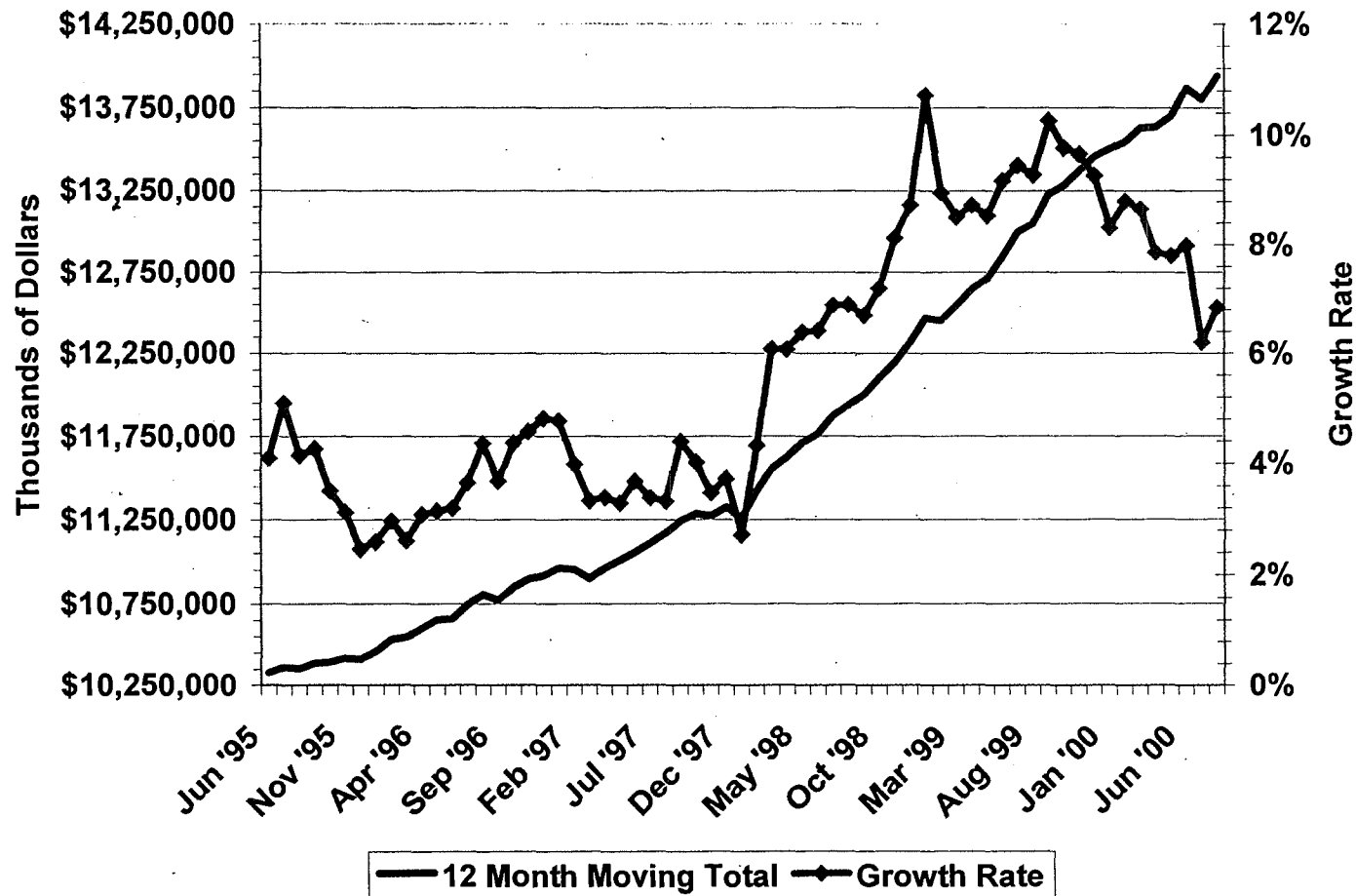


Business Operating Taxable Sales June 1995 to Date



— 12 Month Moving Total —◆— Growth Rate

Total Taxable Sales June 1995 to Date



Utility Taxable Sales June 1995 to Date

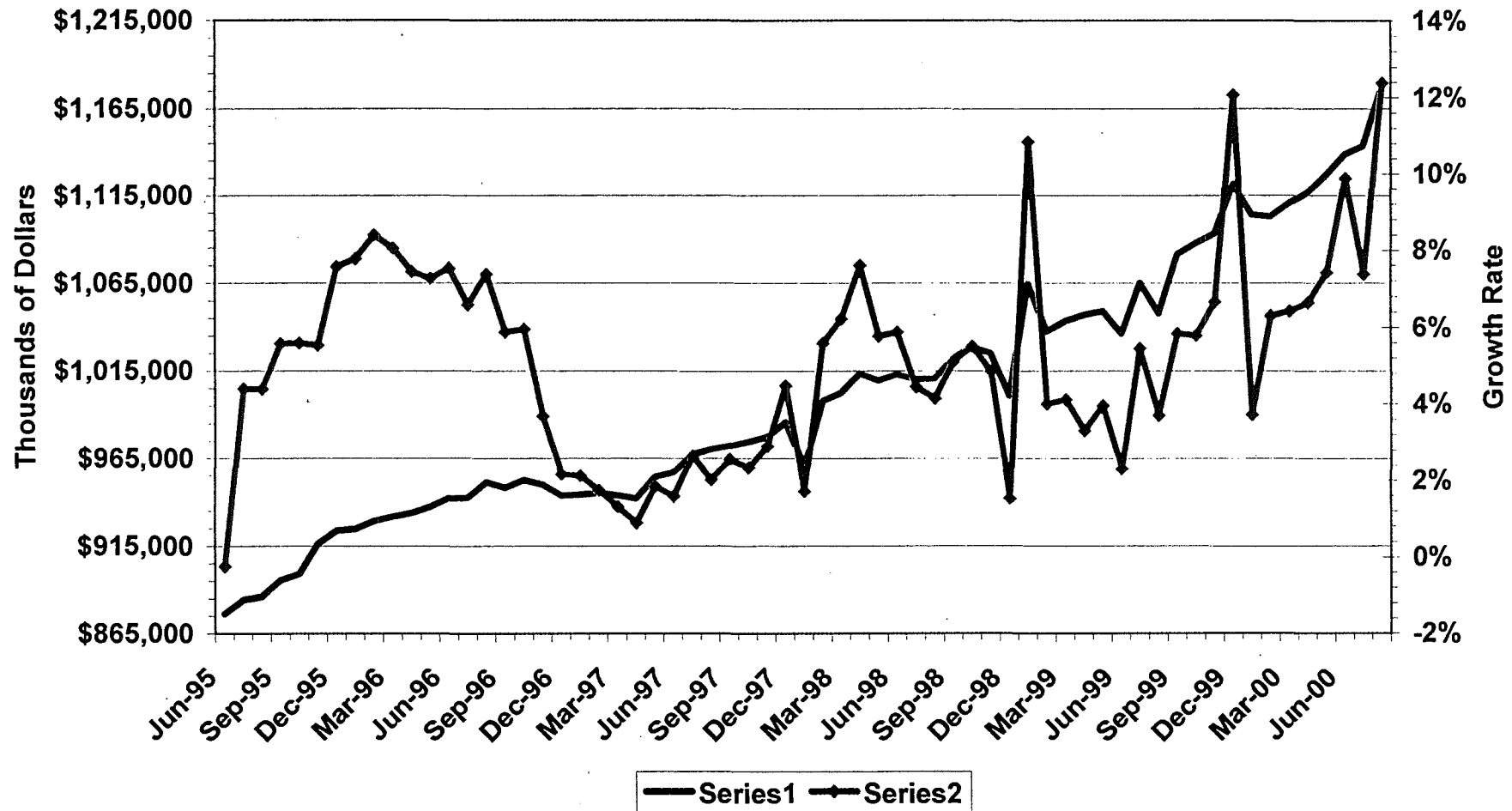


Table 2. Percent Change in Estimated Monthly Retail Sales, by Kind of Business

(Adjusted for seasonal variations, holiday, and trading-day differences, but not for price changes)

SIC code	Kind of business	Percent change ¹					
		Sept. 2000 Advance from --		Aug. 2000 Preliminary from --		Jul. 2000 through Sept. 2000 from --	
		Aug. 2000 (p)	Sept. 1999 (r)	Jul. 2000 (r)	Aug. 1999 (r)	Apr. 2000 through Jun. 2000	Jul. 1999 through Sept. 1999
	Retail trade, total	0.9	7.6	0.1	6.9	1.5	7.6
	Total (excl. automotive dealers)	0.7	8.2	0.2	8.2	1.5	8.5
	Durable goods, total	0.9	5.5	-0.2	3.9	0.9	5.1
52	Building materials, hardware, garden supply, and mobile home dealers	-0.7	3.1	0.3	2.1	-1.0	2.2
55 ex. 554	Automotive dealers.....	1.4	5.8	-0.4	3.1	1.4	4.9
551,2,5,6, 7,9	Motor vehicle and miscellaneous automotive dealers.....	1.4	5.7	-0.5	2.9	1.4	4.8
57	Furniture, home furnishings, and equipment stores.....	0.8	6.0	0.6	6.5	0.3	6.5
	Nondurable goods, total.....	0.9	9.1	0.3	9.0	1.9	9.3
53	General merchandise group stores.....	0.2	7.5	0.3	8.0	2.2	8.0
531	Dept. stores (ex. leased dept.).....	0.4	6.8	0.5	7.3	2.0	7.1
531	Dept. stores (in. leased dept.) ²	(NA)	(NA)	0.5	7.1	(NA)	(NA)
54	Food stores.....	0.3	4.7	-0.1	5.8	0.3	5.6
541	Grocery stores.....	0.3	4.5	-0.1	5.6	0.3	5.3
554	Gasoline service stations.....	2.1	16.9	-1.5	16.1	2.5	18.5
56	Apparel and accessory stores.....	0.4	5.7	1.4	4.5	0.8	4.8
58	Eating and drinking places.....	1.0	7.6	-0.5	7.2	1.3	7.7
591	Drug and proprietary stores.....	1.1	11.9	1.5	11.2	3.8	11.0

NA Not available. (p) Preliminary. (r) Revised.

(1) Percent change rounded to nearest tenth.

(2) Includes data for leased departments operated within department stores. Data for this line not included in broader kind-of-business totals.



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Vehicle Sales

Analysis Posted: 10/4/00 10:22:00 AM EST

Released: 10/04/2000

Next

Release: 11/03/2000

Analysis by: Sophia
Koropecykj

Vehicle Sales, (Mil., SAAR)

	Sep-00	Aug-00	Jul-00	Jun-0
Autos	8.8	8.8	8.8	8.
Light Trucks	9.0	8.6	8.2	8.
Total	17.8	17.4	17.0	17.

Summary



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- The pace of vehicle sales remained remarkably strong in September. On a seasonally adjusted annualized basis sales reached 17.8 million units, its strongest pace since February.
- The industry is heading toward another record year of sales.
- Hefty incentives and new model offering are helping to bolster sales of U.S. brand vehicles, especially Chrysler brand vehicles. To keep the momentum going, Chrysler, Ford and GM all just announced new rounds of incentives.
- Despite the stalwart pace of sales in September, the pace is expected to moderate during the fourth quarter as the U.S. economy slows.
- The indefatigable consumer may induce the Fed to consider further interest rate hikes later in the year, although at this point enough evidence of moderation in other sectors of the economy exists to preclude further monetary tightening.

Analysis

U.S. vehicle sales remained extraordinarily high in September. At an annualized rate, vehicle sales reached 17.8 million units, well ahead of the pace of 17 million recorded for September of 1999. Of the domestic manufacturers, only GM reported weaker sales than one year ago, pulled down by weaker truck sales. Ford and Chrysler charged ahead, besting their year ago performance. Remarkably, the debacle with Bridgestone/Firestone tires has not impacted sales of Ford Explorers, which were up 1.1% from a year ago (helped a bit by higher incentives). Japanese and Korean vehicle makers continued to enjoy double-digit sales growth compared to the September 1999 tally.

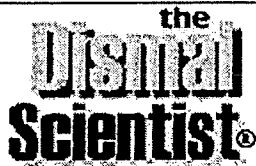
Higher gas prices are not having a significant impact on sales of gas guzzling SUV's and luxury vehicles. Indeed, the sales gain in September was led by light trucks, which at 9 million units (SAAR) reached their highest pace since February.

Despite mounting evidence of a slowing domestic economy, vehicle sales, which normally track the movements of the overall economy quite closely, remain strong. Helping to maintain sales in the face of higher interest rates are incentives, some of which neutralize the impact of higher interest rates. All three domestic manufacturers announced new incentives on October 3. This strategy has its pitfall for manufacturers, as Chrysler's 3rd quarter profit shortfall amply demonstrated.

In addition, consumer fundamentals remain strong: income growth is solid; the unemployment rate, though no longer falling, is very low and demand for workers is high; and consumer confidence remains high, though no longer rising. With minimal price growth (new vehicle prices are up only 0.3% from a year ago) and financing incentives coupled with steady income gains, affordability remains high.

Nonetheless, sales are expected to ease somewhat during the fourth quarter (unless new incentives successfully prop up demand) and further during 2001. However, as long as the economy remains aloft (i.e. nonrecessionary), as expected the sales pace will remain well above its historical average. Vehicles bought at the beginning of the expansion will need to be replaced, the increasing wealth of the American households is continuing to increase the average number of vehicles per household (currently over 2) and vehicle manufacturers will continue to introduce various new safety, multimedia and styling features that will entice consumers. Moreover, as long as global competition remains fierce, price growth will remain constrained, which will sustain vehicle affordability.

The strong vehicle sales will certainly keep the Fed vigilant in months to come especially if Friday's employment report for September is stronger than expected. However, no further interest rate hikes are expected for this year as other sectors of the economy, notably housing sales, have been moderating and fears of an overheating economy have abated since the first quarter of the year.



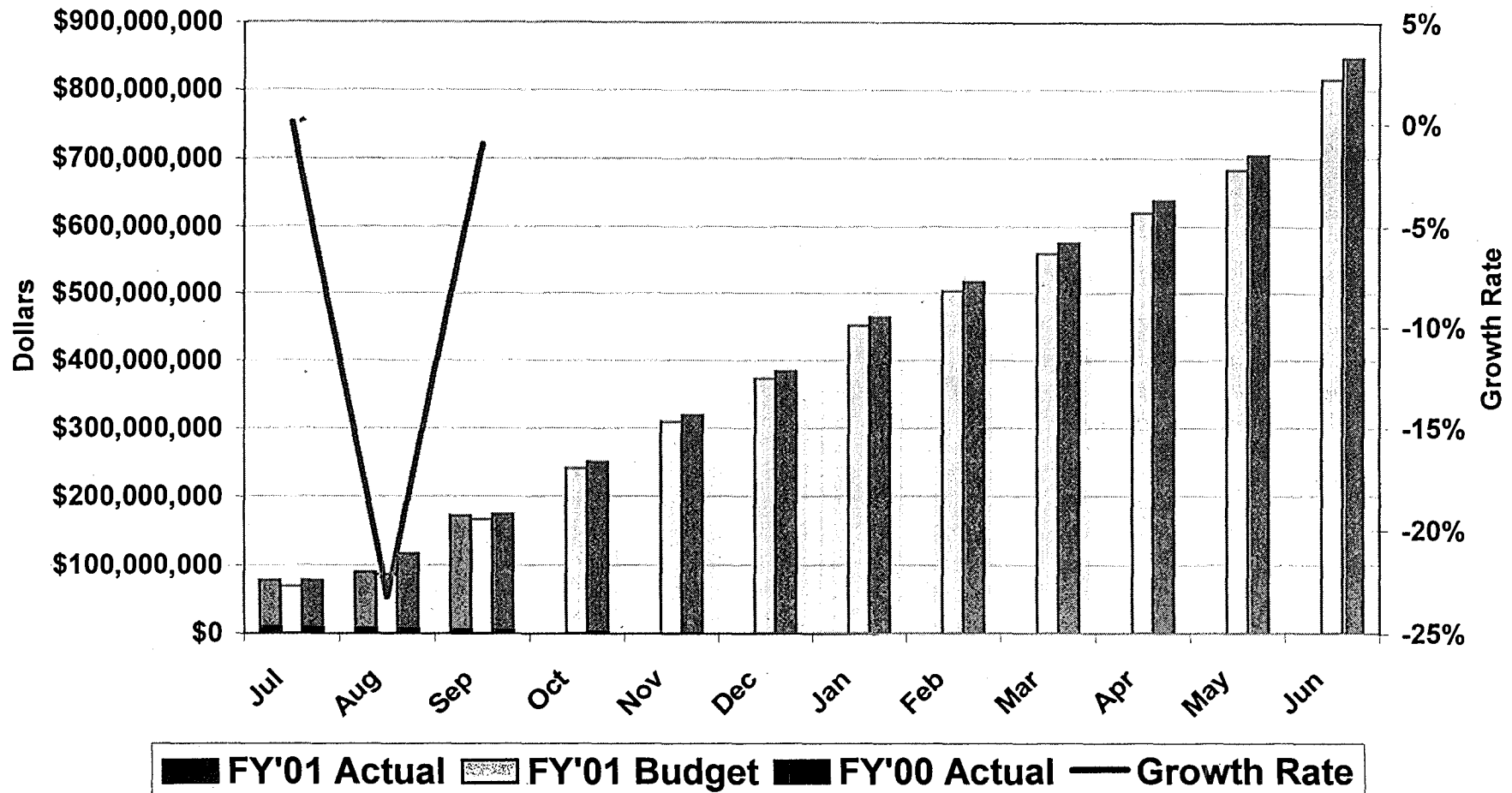
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YTD Sales & Use Tax Revenue

FY'01 Actual, Budget & FY'00 Actual

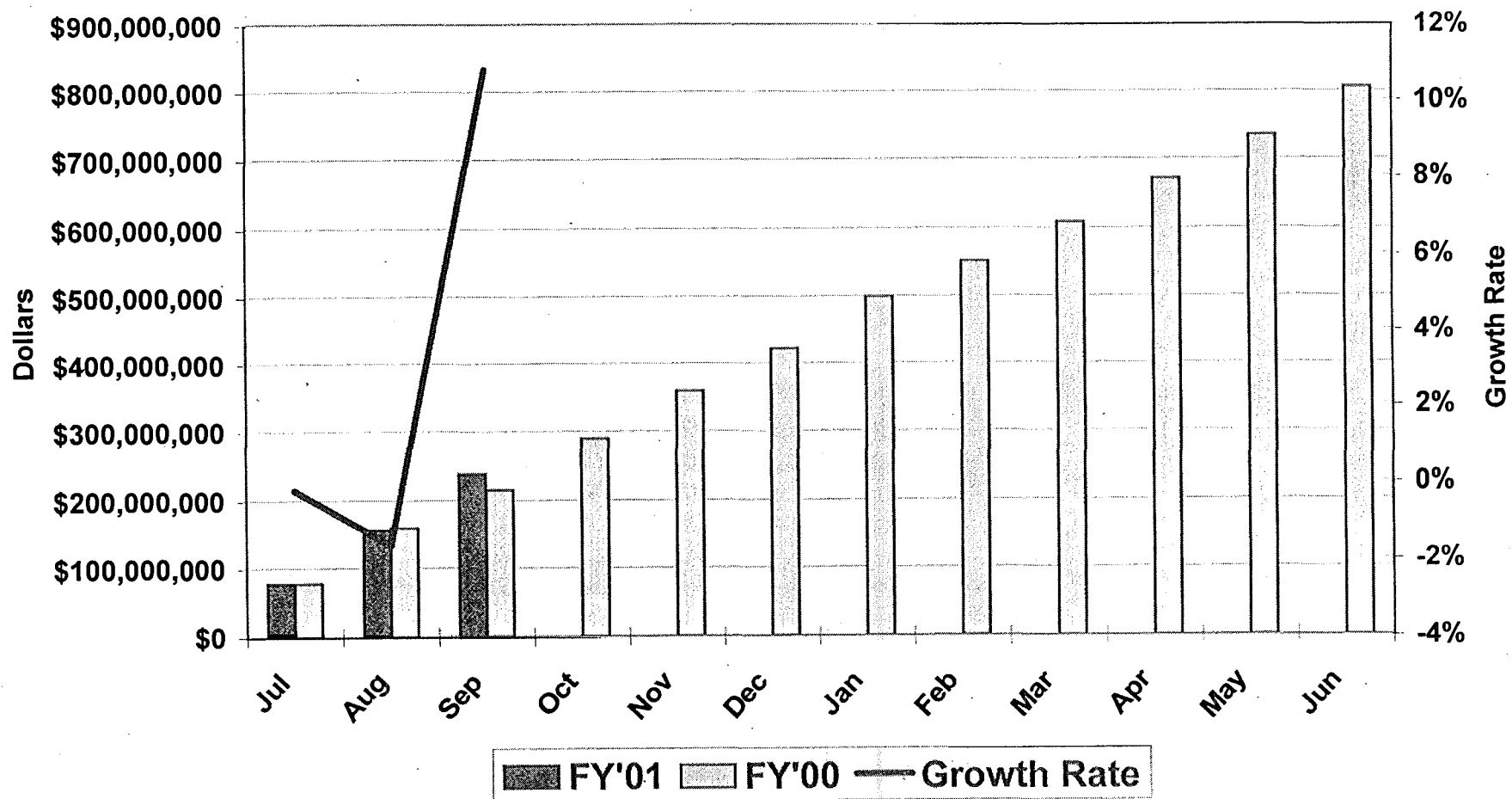


Maine Revenue Services
Sales & Use Tax Revenue

Month	FY'01 Actual	FY'01 Budget	FY'00 Actual	FY'99 Actual*	FY'01 Actual vs. Budget	FY'01 Budget vs. FY'00 Actual	FY'01 Actual vs. FY'00 Actual	FY'00 Actual vs. FY'99 Actual
Jul	\$77,330,731	\$69,050,330	\$77,293,490	\$67,673,847	12.0%	-10.7%	0.0%	14.2%
Aug	\$11,796,942	\$16,724,353	\$38,767,209	\$31,435,254	-29.5%	-56.9%	-69.6%	23.3%
Sep	\$82,965,425	\$80,249,901	\$57,806,856	\$74,502,286	3.4%	38.8%	43.5%	-22.4%
Oct	\$0	\$74,700,001	\$75,842,595	\$69,984,970	-100.0%	-1.5%	-100.0%	8.4%
Nov	\$0	\$68,210,658	\$69,253,992	\$58,498,537	-100.0%	-1.5%	-100.0%	18.4%
Dec	\$0	\$63,572,583	\$64,544,974	\$74,205,371	-100.0%	-1.5%	-100.0%	-13.0%
Jan	\$0	\$79,203,824	\$80,415,307	\$62,689,948	-100.0%	-1.5%	-100.0%	28.3%
Feb	\$0	\$51,527,652	\$53,462,915	\$52,208,866	-100.0%	-3.6%	-100.0%	2.4%
Mar	\$0	\$55,917,027	\$58,017,145	\$57,564,446	-100.0%	-3.6%	-100.0%	0.8%
Apr	\$0	\$61,256,140	\$63,556,784	\$58,427,197	-100.0%	-3.6%	-100.0%	8.8%
May	\$0	\$62,755,697	\$65,112,660	\$63,512,937	-100.0%	-3.6%	-100.0%	2.5%
Jun	\$0	\$132,409,937	\$143,281,205	\$121,023,224	-100.0%	-7.6%	-100.0%	18.4%
=====								
Total	\$172,093,098	\$815,578,103	\$847,355,133	\$791,726,883	-78.9%	-3.8%	-79.7%	7.0%
=====								
YTD Sept.	\$172,093,098	\$166,024,584	\$173,867,555	\$173,611,387	3.7%	-4.5%	-1.0%	0.1%
=====								

*FY'99 actuals do not include \$22.6 million transferred to the Maine Rainy Day Fund/Sales Tax Reserve.

Sales Tax Cash Receipts Year-to-Date FY'01 & FY'00



Maine Revenue Services
Sales Tax Cash Receipts

	FY'01	FY'00	YTD FY'01	YTD FY'00	Growth Rate	TD Growth Rate
Jul	\$77,758,811	\$77,909,620	\$77,758,811	\$77,909,620	-0.2%	-0.2%
Aug	\$78,475,082	\$80,901,609	\$156,233,893	\$158,811,229	-3.0%	-1.6%
Sep	\$81,590,597	\$55,833,525	\$237,824,490	\$214,644,754	46.1%	10.8%
Oct	\$0	\$74,189,111	\$237,824,490	\$288,833,865	-100.0%	-17.7%
Nov	\$0	\$69,465,723	\$237,824,490	\$358,299,588	-100.0%	-33.6%
Dec	\$0	\$63,176,899	\$237,824,490	\$421,476,487	-100.0%	-43.6%
Jan	\$0	\$77,433,437	\$237,824,490	\$498,909,924	-100.0%	-52.3%
Feb	\$0	\$52,291,122	\$237,824,490	\$551,201,046	-100.0%	-56.9%
Mar	\$0	\$57,145,313	\$237,824,490	\$608,346,359	-100.0%	-60.9%
Apr	\$0	\$62,174,351	\$237,824,490	\$670,520,710	-100.0%	-64.5%
May	\$0	\$63,565,885	\$237,824,490	\$734,086,595	-100.0%	-67.6%
Jun	\$0	\$71,339,566	\$237,824,490	\$805,426,161	-100.0%	-70.5%

Sales & Use Tax: Baseline Forecast FY01 - FY05

	FY00	FY01	Biennium	FY02	FY03	Biennium	FY04	FY05	Biennium
Actuals & February, 2000 Forecast /1	\$847,355,132	\$822,700,000	\$1,670,055,132	\$863,500,000	\$908,900,000	\$1,772,400,000	\$0	\$0	\$0
Growth Rate		-2.9%		5.0%	5.3%	6.1%			
Technical Adjustments to Prior Forecast /2	\$0	\$13,089,819	\$13,089,819	\$3,529,309	\$3,705,775	\$7,235,084	\$0	\$0	\$0
Economic Assumptions /3	\$0	\$6,410,182	\$6,410,182	\$11,970,691	\$13,924,225	\$25,894,916	\$976,300,000	\$1,029,600,000	\$2,005,900,000
Enacted Legislation /4	\$0	(\$7,100,000)	(\$7,100,000)	(\$15,900,000)	(\$16,800,000)	(\$32,700,000)	(\$17,100,000)	(\$18,000,000)	(\$35,100,000)
Total Adjustments to Prior Forecast	\$0	\$12,400,000	\$12,400,000	(\$400,000)	\$830,000	\$430,000	\$959,200,000	\$1,011,600,000	\$1,970,800,000
New Forecast	\$847,355,132	\$835,100,000	\$1,682,455,132	\$863,100,000	\$909,730,000	\$1,772,830,000	\$959,200,000	\$1,011,600,000	\$1,970,800,000
Growth Rate	7.0%	-1.4%		3.4%	5.4%	5.4%	5.4%	5.5%	11.2%

1/ February, 2000 forecast with FY00 actual.

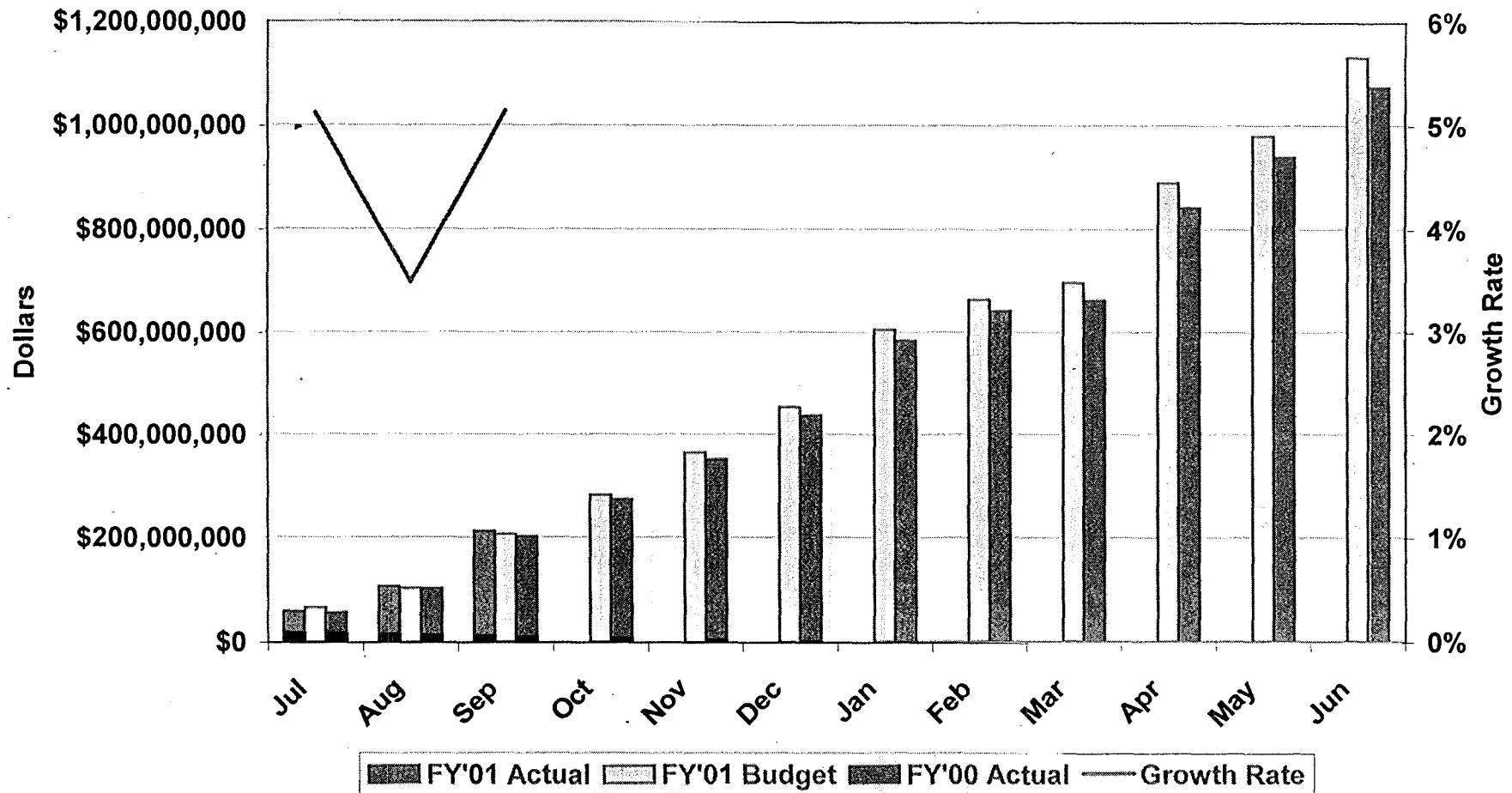
2/ Technical adjustments refer to all changes in the forecast that are not related to changes from new economic assumptions. Examples of technical changes may be new data, model updates and changes, and court cases that affect revenues.

3/ This line shows the incremental change in baseline revenues as a result of a new economic forecast.

4/ This line shows the incremental change in baseline revenues as a result of legislation passed by the 119th Legislature

Individual Income Tax

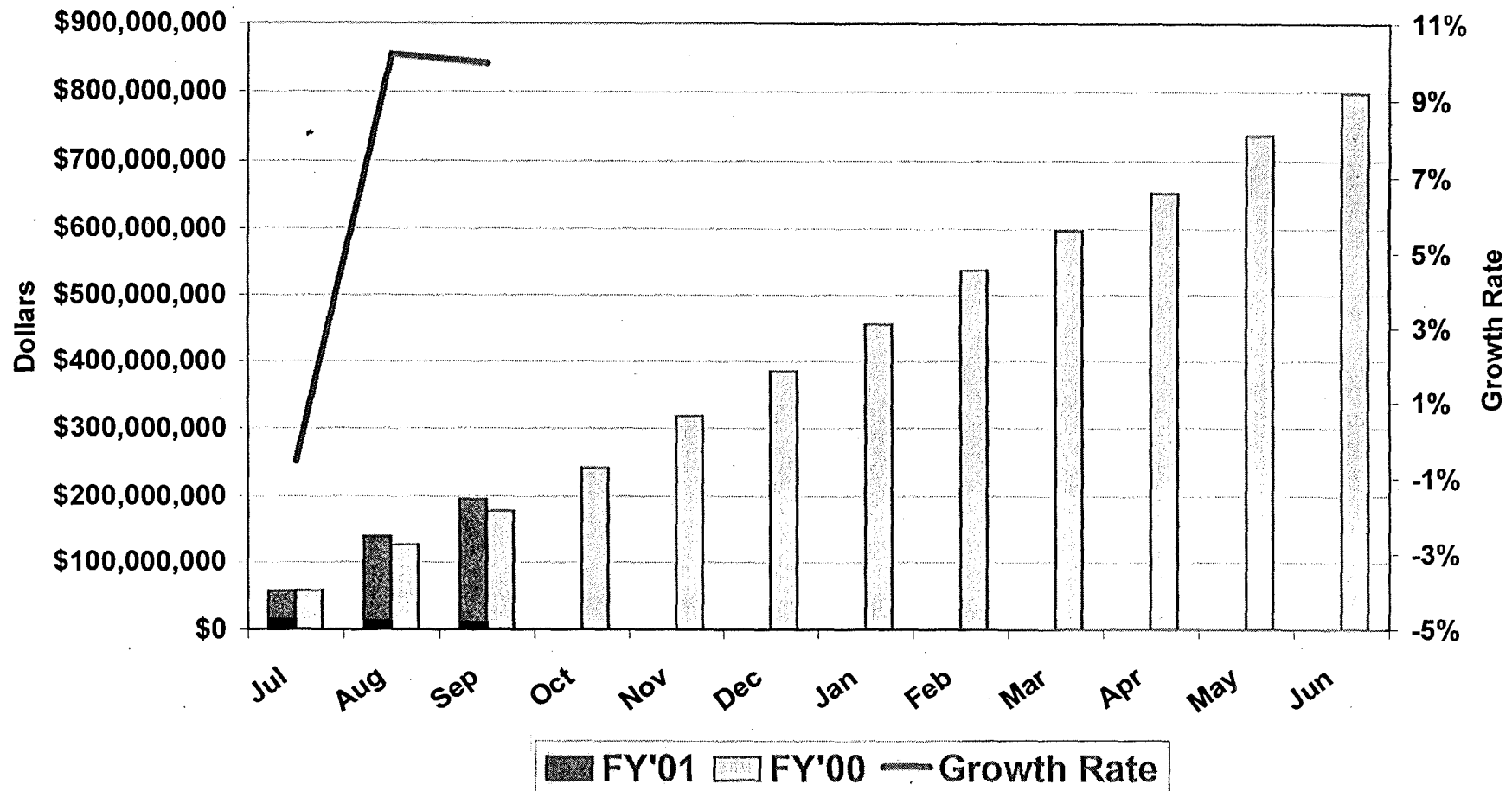
YTD Individual Income Tax Revenue FY'01 Actual, Budget & FY'00 Actual



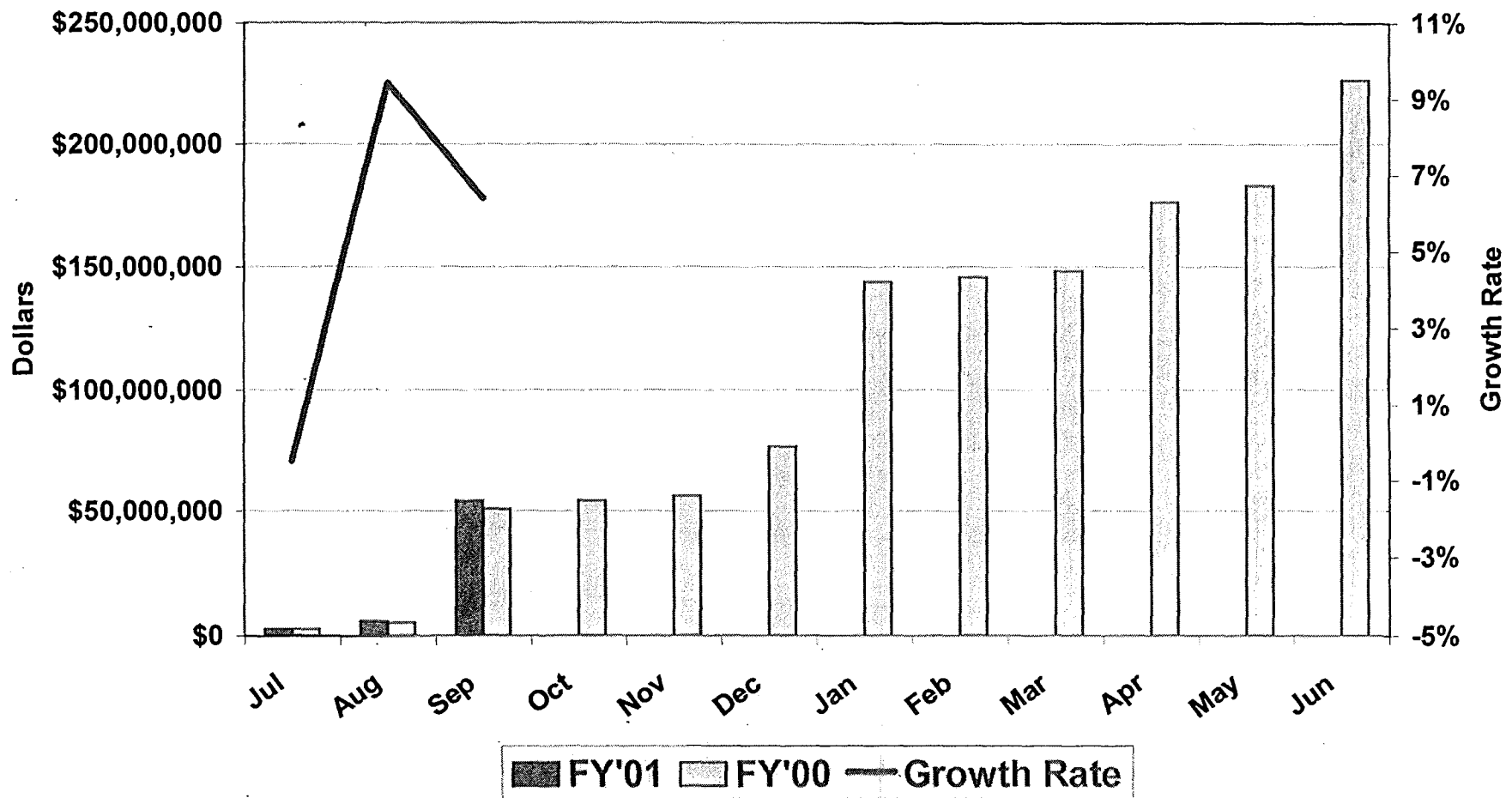
Maine Revenue Services
Individual Income Tax Revenue

	FY'01 Actual	FY'01 Budget	FY'00 Actual	FY'99 Actual	FY'01 Actual vs. Budget	FY'01 Budget vs. FY'00 Actual	FY'01 Actual vs. FY'00 Actual	FY'00 Actual vs. FY'99 Actual
Jul	\$57,095,317	\$64,220,254	\$54,316,169	\$58,827,308	-11.1%	18.2%	5.1%	-7.7%
Aug	\$47,199,383	\$37,586,717	\$46,470,040	\$28,718,303	25.6%	-19.1%	1.6%	61.8%
Sep	\$107,436,370	\$103,436,633	\$100,597,688	\$93,476,497	3.9%	2.8%	6.8%	7.6%
Oct	\$0	\$76,851,895	\$72,588,985	\$61,672,182	-100.0%	5.9%	-100.0%	17.7%
Nov	\$0	\$82,156,276	\$77,304,291	\$74,179,495	-100.0%	6.3%	-100.0%	4.2%
Dec	\$0	\$89,382,895	\$86,224,827	\$80,328,585	-100.0%	3.7%	-100.0%	7.3%
Jan	\$0	\$150,638,033	\$145,910,800	\$143,159,737	-100.0%	3.2%	-100.0%	1.9%
Feb	\$0	\$58,543,350	\$57,343,844	\$50,755,498	-100.0%	2.1%	-100.0%	13.0%
Mar	\$0	\$32,068,599	\$20,565,812	\$24,738,255	-100.0%	55.9%	-100.0%	-16.9%
Apr	\$0	\$194,788,274	\$180,345,018	\$156,997,571	-100.0%	8.0%	-100.0%	14.9%
May	\$0	\$89,827,666	\$97,091,474	\$103,351,381	-100.0%	-7.5%	-100.0%	-6.1%
Jun	\$0	\$151,735,380	\$135,862,667	\$128,252,345	-100.0%	11.7%	-100.0%	5.9%
=====								
Total	\$211,731,070	\$1,131,235,972	\$1,074,621,615	\$1,004,457,157	-81.3%	5.3%	-80.3%	7.0%
=====								
YTD Sept.	\$211,731,070	\$205,243,604	\$201,383,897	\$181,022,108	3.2%	1.9%	5.1%	11.2%
=====								

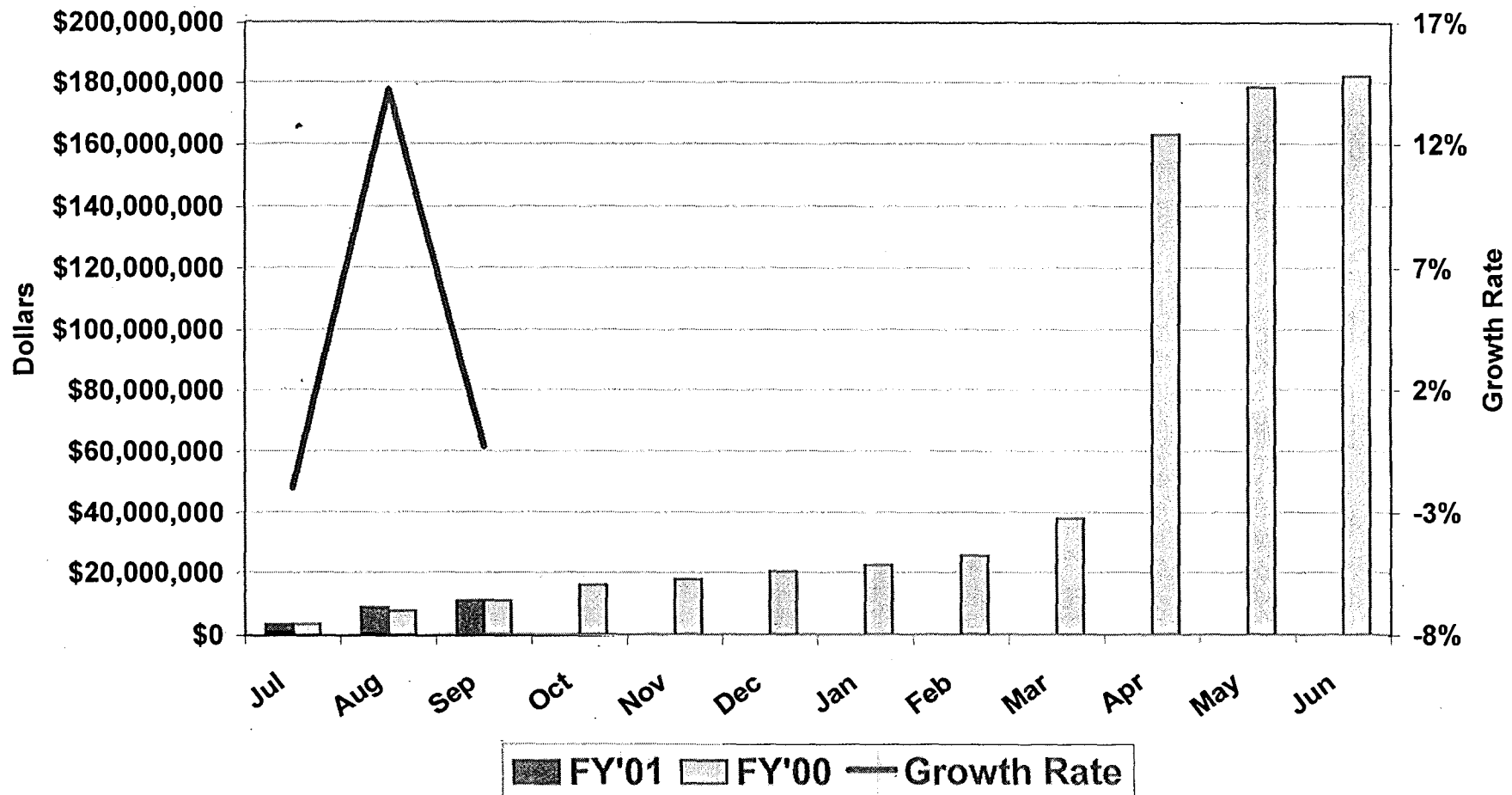
1040 Withholding **Year-to-Date FY'01 & FY'00**



1040 Estimated Payments Year-to-Date FY'01 & FY'00



1040 Final Payments Year-to-Date FY'01 & FY'00



Maine Revenue Services

Individual Income Tax Withholding, Estimated Payments and Final Payments

1040 Withholding

1040 Estimated Payments

1040 Final Payments

	FY'01	FY'00	Growth Rate	FY'01	FY'00	Growth Rate	FY'01	FY'00	Growth Rate
Jul	\$57,174,413	\$57,480,363	-0.5%	\$2,602,357	\$2,615,116	-0.5%	\$3,211,664	\$3,277,640	-2.0%
Aug	\$82,294,260	\$69,102,306	19.1%	\$3,159,725	\$2,651,269	19.2%	\$5,359,084	\$4,228,872	26.7%
Sep	\$56,420,371	\$51,578,863	9.4%	\$48,255,502	\$45,511,884	6.0%	\$2,297,709	\$3,395,808	-32.3%
Oct	\$0	\$62,981,291	-100.0%	\$0	\$3,384,618	-100.0%	\$0	\$4,915,710	-100.0%
Nov	\$0	\$77,276,766	-100.0%	\$0	\$1,890,727	-100.0%	\$0	\$1,899,959	-100.0%
Dec	\$0	\$66,352,885	-100.0%	\$0	\$20,396,768	-100.0%	\$0	\$2,574,896	-100.0%
Jan	\$0	\$71,635,561	-100.0%	\$0	\$67,396,258	-100.0%	\$0	\$1,969,834	-100.0%
Feb	\$0	\$81,180,243	-100.0%	\$0	\$1,859,838	-100.0%	\$0	\$3,208,454	-100.0%
Mar	\$0	\$59,431,473	-100.0%	\$0	\$2,494,532	-100.0%	\$0	\$12,445,622	-100.0%
Apr	\$0	\$55,855,944	-100.0%	\$0	\$28,057,438	-100.0%	\$0	\$124,938,927	-100.0%
May	\$0	\$83,697,689	-100.0%	\$0	\$6,780,907	-100.0%	\$0	\$15,571,258	-100.0%
Jun	\$0	\$61,528,933	-100.0%	\$0	\$43,617,266	-100.0%	\$0	\$3,839,118	-100.0%

Year-To-Date

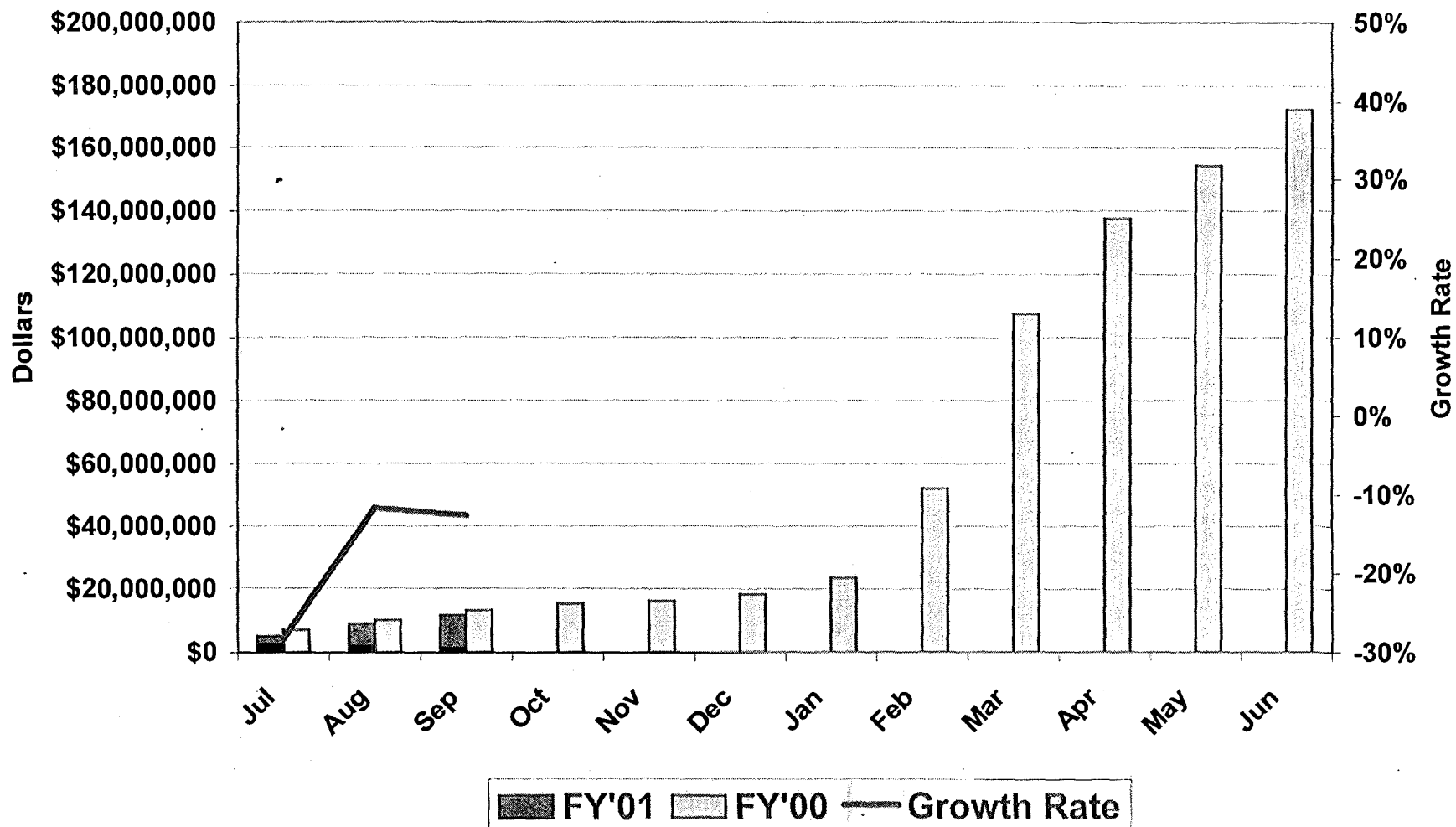
1040 Withholding

1040 Estimated Payments

1040 Final Payments

	FY'01	FY'00	Growth Rate	FY'01	FY'00	Growth Rate	FY'01	FY'00	Growth Rate
Jul	\$57,174,413	\$57,480,363	-0.5%	\$2,602,357	\$2,615,116	-0.5%	\$3,211,664	\$3,277,640	-2.0%
Aug	\$139,468,673	\$126,582,669	10.2%	\$5,762,082	\$5,266,385	9.4%	\$8,570,748	\$7,506,512	14.2%
Sep	\$195,889,044	\$178,161,532	10.0%	\$54,017,584	\$50,778,269	6.4%	\$10,868,457	\$10,902,320	-0.3%
Oct	\$195,889,044	\$241,142,823	-18.8%	\$54,017,584	\$54,162,887	-0.3%	\$10,868,457	\$15,818,030	-31.3%
Nov	\$195,889,044	\$318,419,589	-38.5%	\$54,017,584	\$56,053,614	-3.6%	\$10,868,457	\$17,717,989	-38.7%
Dec	\$195,889,044	\$384,772,474	-49.1%	\$54,017,584	\$76,450,382	-29.3%	\$10,868,457	\$20,292,885	-46.4%
Jan	\$195,889,044	\$456,408,035	-57.1%	\$54,017,584	\$143,846,640	-62.4%	\$10,868,457	\$22,262,719	-51.2%
Feb	\$195,889,044	\$537,588,278	-63.6%	\$54,017,584	\$145,706,478	-62.9%	\$10,868,457	\$25,471,173	-57.3%
Mar	\$195,889,044	\$597,019,751	-67.2%	\$54,017,584	\$148,201,010	-63.6%	\$10,868,457	\$37,916,795	-71.3%
Apr	\$195,889,044	\$652,875,695	-70.0%	\$54,017,584	\$176,258,448	-69.4%	\$10,868,457	\$162,855,722	-93.3%
May	\$195,889,044	\$736,573,384	-73.4%	\$54,017,584	\$183,039,355	-70.5%	\$10,868,457	\$178,426,980	-93.9%
Jun	\$195,889,044	\$798,102,317	-75.5%	\$54,017,584	\$226,656,621	-76.2%	\$10,868,457	\$182,266,098	-94.0%

Individual Income Tax Refunds Year-to-Date FY'01 & FY'00



Maine Revenue Services
Individual Income Tax Refunds

Month	Year-To-Date						Growth Rate
	FY'01 Actual	FY'01 Budget	FY'00 Actual	FY'01 Actual	FY'01 Budget	FY'00 Actual	
Jul	\$4,941,538	\$7,010,211	\$6,895,322	\$4,941,538	\$7,010,211	\$6,895,322	-28%
Aug	\$3,955,967	\$3,230,793	\$3,184,468	\$8,897,505	\$10,241,004	\$10,079,790	-12%
Sep	\$2,686,055	\$3,240,953	\$3,191,971	\$11,583,561	\$13,481,957	\$13,271,761	-13%
Oct	\$0	\$1,960,827	\$1,931,094	\$11,583,561	\$15,442,784	\$15,202,855	-24%
Nov	\$0	\$761,979	\$752,963	\$11,583,561	\$16,204,763	\$15,955,818	-27%
Dec	\$0	\$2,255,459	\$2,219,777	\$11,583,561	\$18,460,222	\$18,175,595	-36%
Jan	\$0	\$5,222,099	\$5,278,370	\$11,583,561	\$23,682,321	\$23,453,965	-51%
Feb	\$0	\$29,910,234	\$28,609,257	\$11,583,561	\$53,592,555	\$52,063,222	-78%
Mar	\$0	\$44,144,010	\$55,264,872	\$11,583,561	\$97,736,565	\$107,328,095	-89%
Apr	\$0	\$21,609,738	\$30,164,701	\$11,583,561	\$119,346,303	\$137,492,795	-92%
May	\$0	\$11,521,129	\$16,690,572	\$11,583,561	\$130,867,432	\$154,183,367	-92%
Jun	\$0	\$11,602,408	\$18,193,774	\$11,583,561	\$142,469,840	\$172,377,141	-93%

Individual Income Tax: Baseline Forecast FY01 - FY05

	FY00	FY01	Biennium	FY02	FY03	Biennium	FY04	FY05	Biennium
Actuals & February, 2000 Forecast /1	\$1,074,621,614	\$1,156,533,894	\$2,231,155,508	\$1,243,801,114	\$1,332,082,263	\$2,575,883,377	\$0	\$0	\$0
Growth Rate	7.0%	7.6%	16.7%	7.5%	7.1%	15.5%			
Technical Adjustments to Prior Forecast /2	\$0	(\$18,302,449)	(\$18,302,449)	(\$23,419,669)	(\$24,930,818)	(\$48,350,488)	\$0	\$0	\$0
TY1998 Liability /3	\$0	\$194,908	\$194,908	(\$3,034,092)	(\$957,565)	(\$3,991,657)	\$0	\$0	\$0
FY2000 Receipts & TY99 Liability /4	\$0	(\$18,497,357)	(\$18,497,357)	(\$20,385,577)	(\$23,973,253)	(\$44,358,830)	\$0	\$0	\$0
New Economic Assumptions /5	\$0	\$8,910,000 6.7%	\$8,910,000	\$7,380,000 7.0%	\$6,940,000 7.0%	\$14,320,000	\$1,403,481,445 6.8%	\$1,495,601,445 6.6%	\$2,899,082,889
Enacted Legislation /6	\$0	(\$18,717,286)	(\$18,717,286)	(\$22,001,628)	(\$26,041,584)	(\$48,043,212)	(\$32,869,938)	(\$39,715,427)	(\$72,585,365)
Total Adjustments to Prior Forecast	\$0	(\$28,109,735)	(\$28,109,735)	(\$38,041,297)	(\$44,032,402)	(\$82,073,700)	\$1,370,611,506	\$1,455,886,018	\$2,826,497,525
New Forecast	\$1,074,621,614	\$1,128,424,159	\$2,203,045,773	\$1,205,759,817	\$1,288,049,861	\$2,493,809,677	\$1,370,611,506	\$1,455,886,018	\$2,826,497,525
Growth Rate	7.0%	5.0%	15.2%	6.9%	6.8%	13.2%	6.4%	6.2%	13.3%

1/ February, 2000 forecast with FY00 actual.

2/ Technical adjustments refer to all changes in the forecast that are not related to changes from new economic assumptions. Examples of technical changes may be new data, model updates and changes, and court cases that affect revenues.

3/ Reflects the impact of final tax year 1998 state tax liability and IRS data on 1998 tax year.

4/ Reflects the impact of actual FY2000 tax receipts and adjustment to tax year 1999 forecast.

5/ This line shows the incremental change in baseline revenues as a result of the new economic forecast released by the Consensus Economic Forecasting Committee on February 4, 2000.

6/ This line shows the incremental change in baseline revenues as a result of legislation passed by the 119th Legislature

Comparison of Proposed Forecast with FY01 Actual Receipts

	FY01 <u>Forecast</u>	FY01 <u>Actual</u>	<u>Difference</u>
July	\$59,646,952	\$57,095,317	\$2,551,635
August	\$49,109,939	\$47,199,383	\$1,910,556
<u>September</u>	<u>\$106,226,041</u>	<u>\$107,436,370</u>	<u>(\$1,210,329)</u>
Total Through 9/30	\$214,982,932	\$211,731,070	\$3,251,862
October	\$76,621,497	\$0	
November	\$81,976,584	\$0	
December	\$90,994,876	\$0	
January	\$159,939,155	\$0	
February	\$54,705,918	\$0	
March	\$16,791,643	\$0	
April	\$191,359,707	\$0	
May	\$92,636,507	\$0	
<u>June</u>	<u>\$148,415,341</u>	<u>\$0</u>	
Total	\$1,128,424,159	\$211,731,070	

1/ September actual is based on preliminary data and is subject to change.

Federal Adjusted Gross Income Reported by Maine Residents

(Millions of Dollars)

Tax Year	< \$15,000	\$15K - \$30K	\$30K - \$50K	\$50K - \$75K	\$75K - \$100K	\$100K - \$200K	> \$200K	Total
1995	\$1,288	\$3,161	\$4,139	\$3,486	\$1,357	\$1,408	\$1,512	\$16,351
1996	\$1,435	\$3,139	\$4,225	\$3,553	\$1,483	\$1,552	\$1,848	\$17,235
% Chg.	11.4%	-0.7%	2.1%	1.9%	9.3%	10.2%	22.2%	5.4%
1997	\$1,378	\$3,148	\$4,292	\$3,857	\$1,745	\$1,853	\$2,362	\$18,635
% Chg.	-4.0%	0.3%	1.6%	8.6%	17.7%	19.4%	27.8%	8.1%
1998	\$1,339	\$3,186	\$4,408	\$4,120	\$2,013	\$2,170	\$3,103	\$20,339
% Chg.	-2.8%	1.2%	2.7%	6.8%	15.4%	17.1%	31.4%	9.1%
1999	\$1,455	\$3,019	\$4,547	\$4,521	\$2,419	\$2,459	\$3,351	\$21,771
% Chg.	8.7%	-5.2%	3.2%	9.7%	20.2%	13.3%	8.0%	7.0%

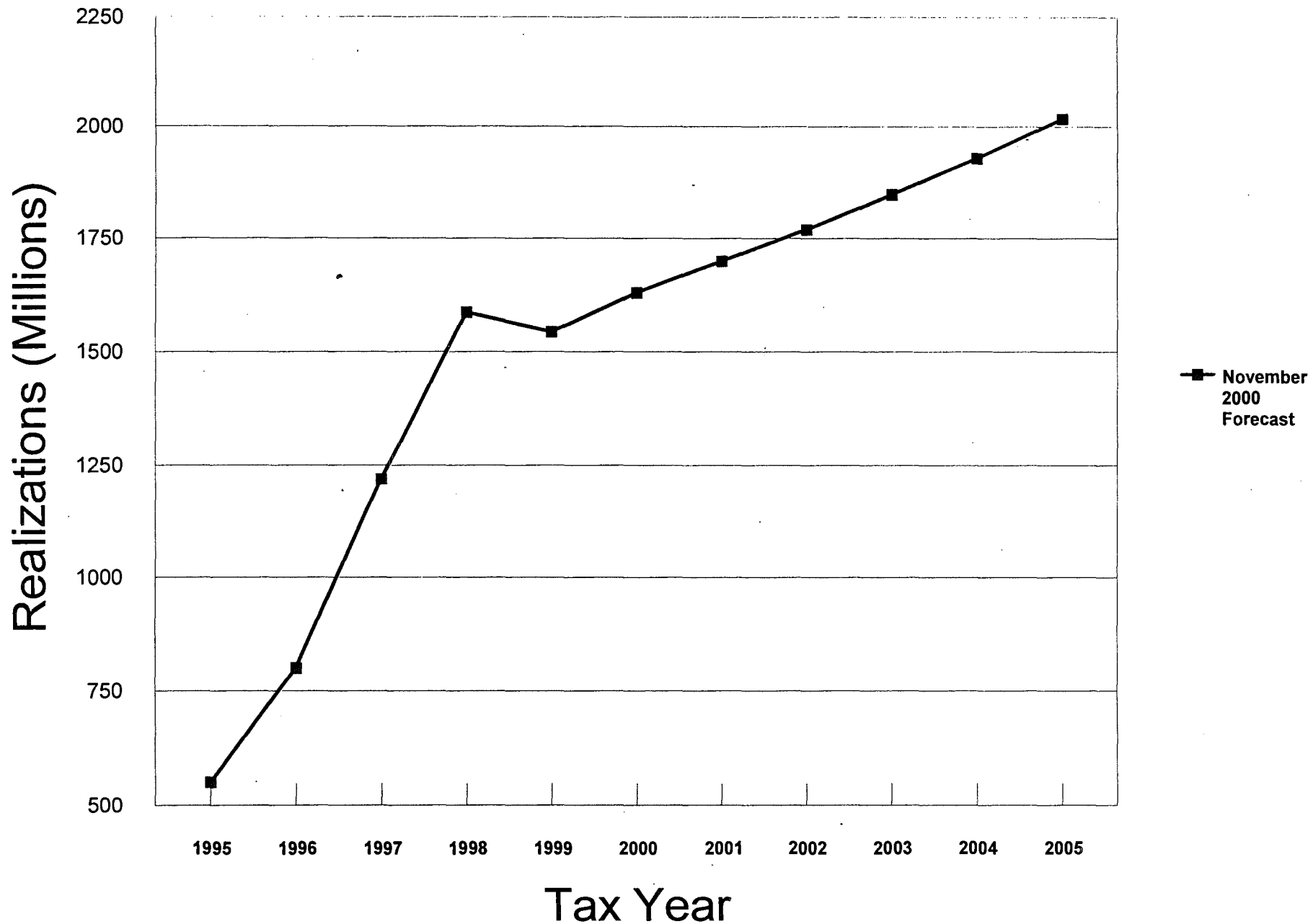
Note: rows in italics are estimates.

1998	\$1,310	\$3,169	\$4,395	\$4,112	\$1,985	\$2,129	\$2,939	\$20,039
% Chg.	-4.9%	0.7%	2.4%	6.6%	13.8%	14.9%	24.4%	7.5%
1999	\$1,446	\$3,052	\$4,594	\$4,594	\$2,436	\$2,442	\$3,176	\$21,740
% Chg.	10.4%	-3.7%	4.5%	11.7%	22.7%	14.7%	8.1%	8.5%

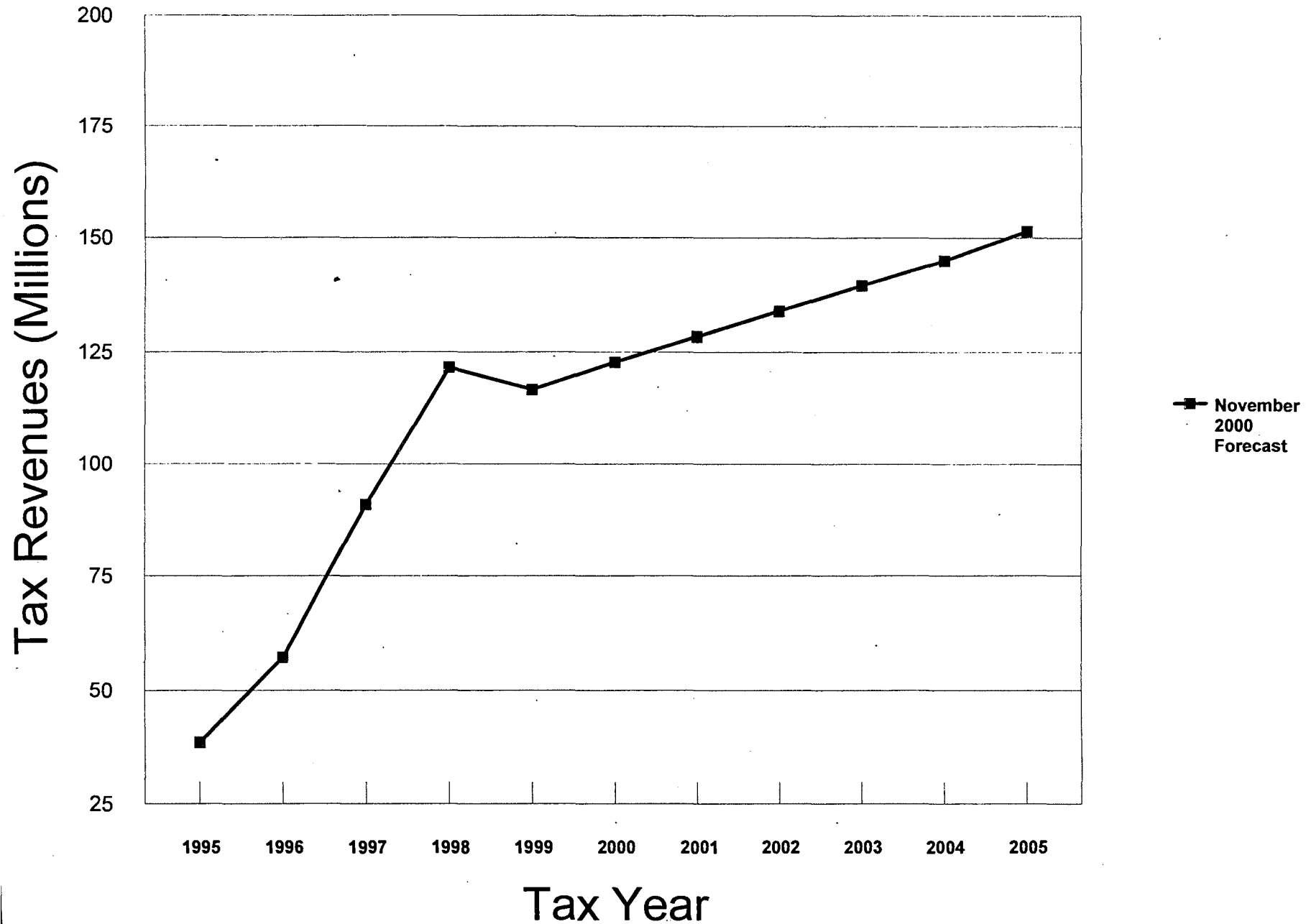
Note: rows in italics are estimates.

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Resident FAGI	\$16,119.40	\$17,076.42	\$18,504.91	\$20,214.63							
Growth Rate		5.94%	8.37%	9.24%							
Non-Resident FAGI	\$4,566.05	\$5,019.36	\$6,685.11	\$9,582.57							
Growth Rate		9.93%	33.19%	43.34%							
Resident MAGI	\$15,919.26	\$16,851.23	\$18,228.39	\$19,889.43							
Growth Rate		5.85%	8.17%	9.11%							
Non-Resident MAGI	\$692.79	\$781.75	\$892.55	\$1,104.08							
Growth Rate		12.84%	14.17%	23.70%							
Resident Taxable Income	\$10,745.80	\$11,566.29	\$12,717.01	\$13,942.26							
Growth Rate		7.64%	9.95%	9.63%							
Non-Resident Taxable Inc.	\$525.40	\$586.05	\$705.63	\$895.07							
Growth Rate		11.54%	20.40%	26.85%							
Resident Liability	\$620.06	\$682.18	\$771.06	\$861.42	\$930.60	\$993.90	\$1,072.40	\$1,148.90	\$1,225.80	\$1,302.30	\$1,388.30
Growth Rate		10.02%	13.03%	11.72%	8.03%	6.80%	7.90%	7.13%	6.69%	6.24%	6.60%
Non-Resident Liability	\$35.12	\$38.70	\$50.28	\$66.63	\$59.17	\$62.75	\$66.40	\$69.58	\$72.91	\$75.50	\$79.22
Growth Rate		10.17%	29.95%	32.51%	-11.20%	6.05%	5.82%	4.79%	4.79%	3.55%	4.93%
Total Growth Rate		10.03%	13.94%	12.99%	6.65%	6.76%	7.77%	7.00%	6.58%	6.09%	6.51%
NR Liability as % of Total	5.36%	5.37%	6.12%	7.18%	5.98%	5.94%	5.83%	5.71%	5.61%	5.48%	5.40%

Net Capital Gains Realizations

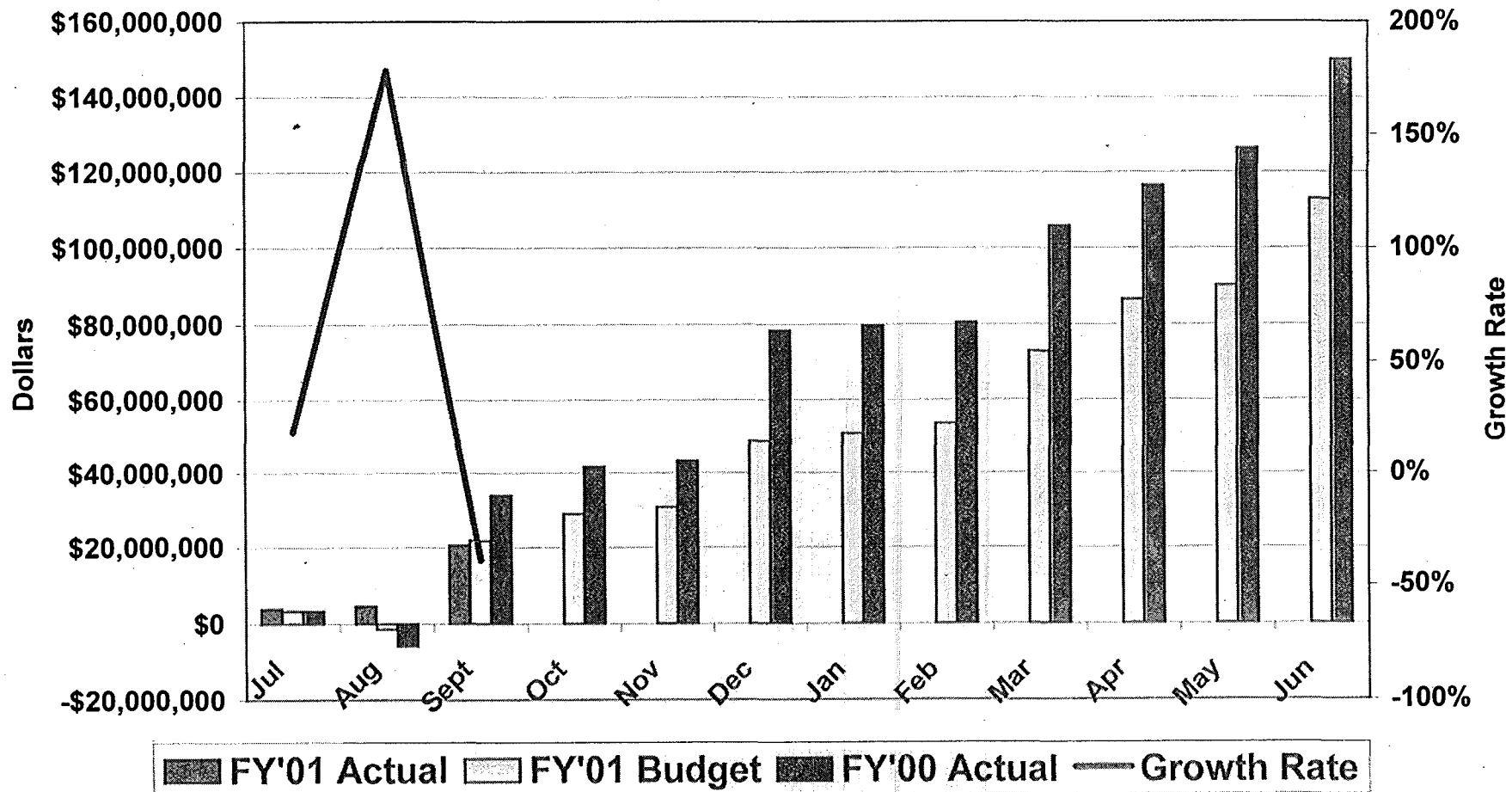


Tax Revenues from Capital Gains



Corporate Income Tax

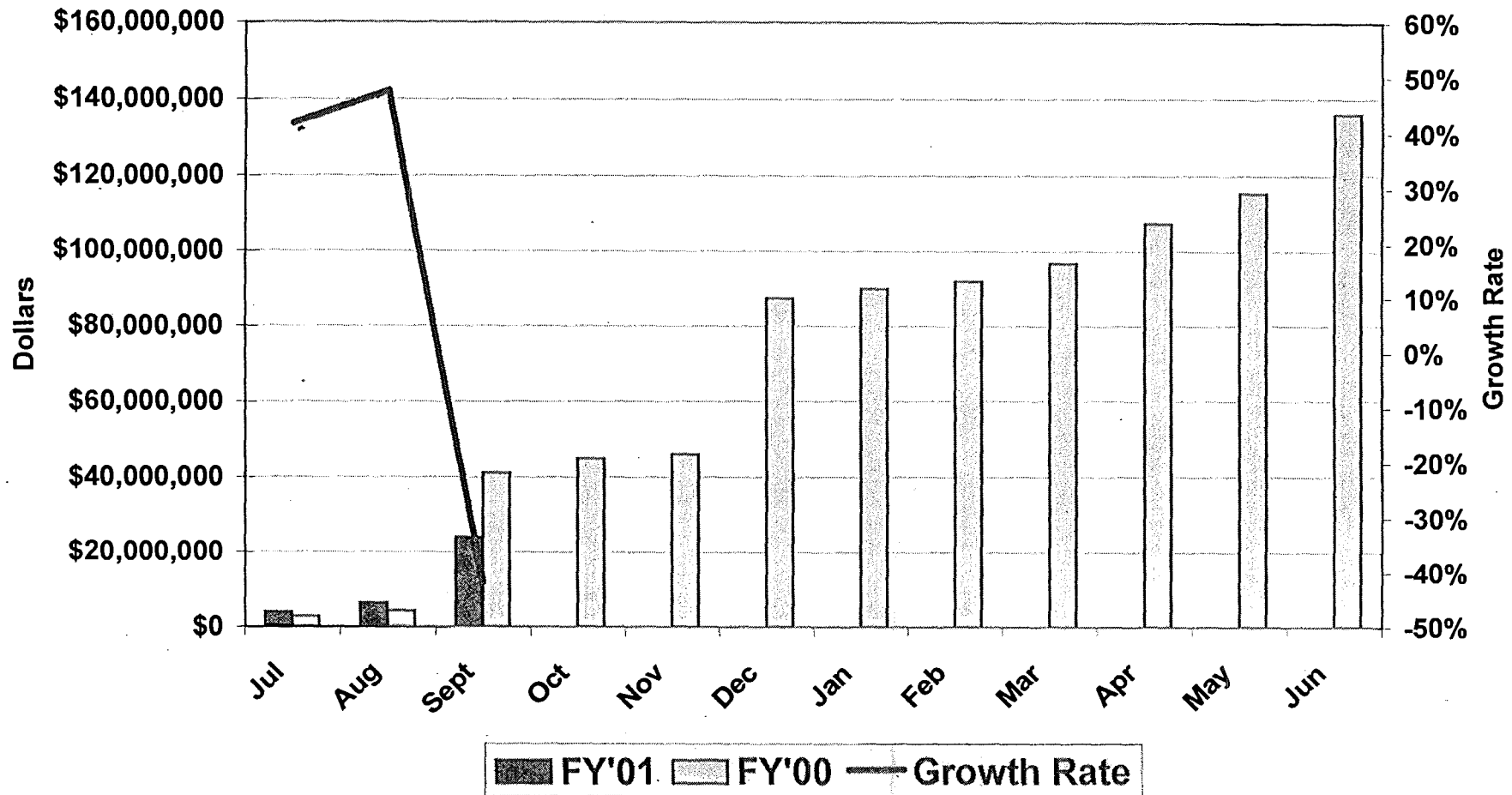
YTD Corporate Income Tax Revenue FY'01 Actual, Budget & FY'00 Actual



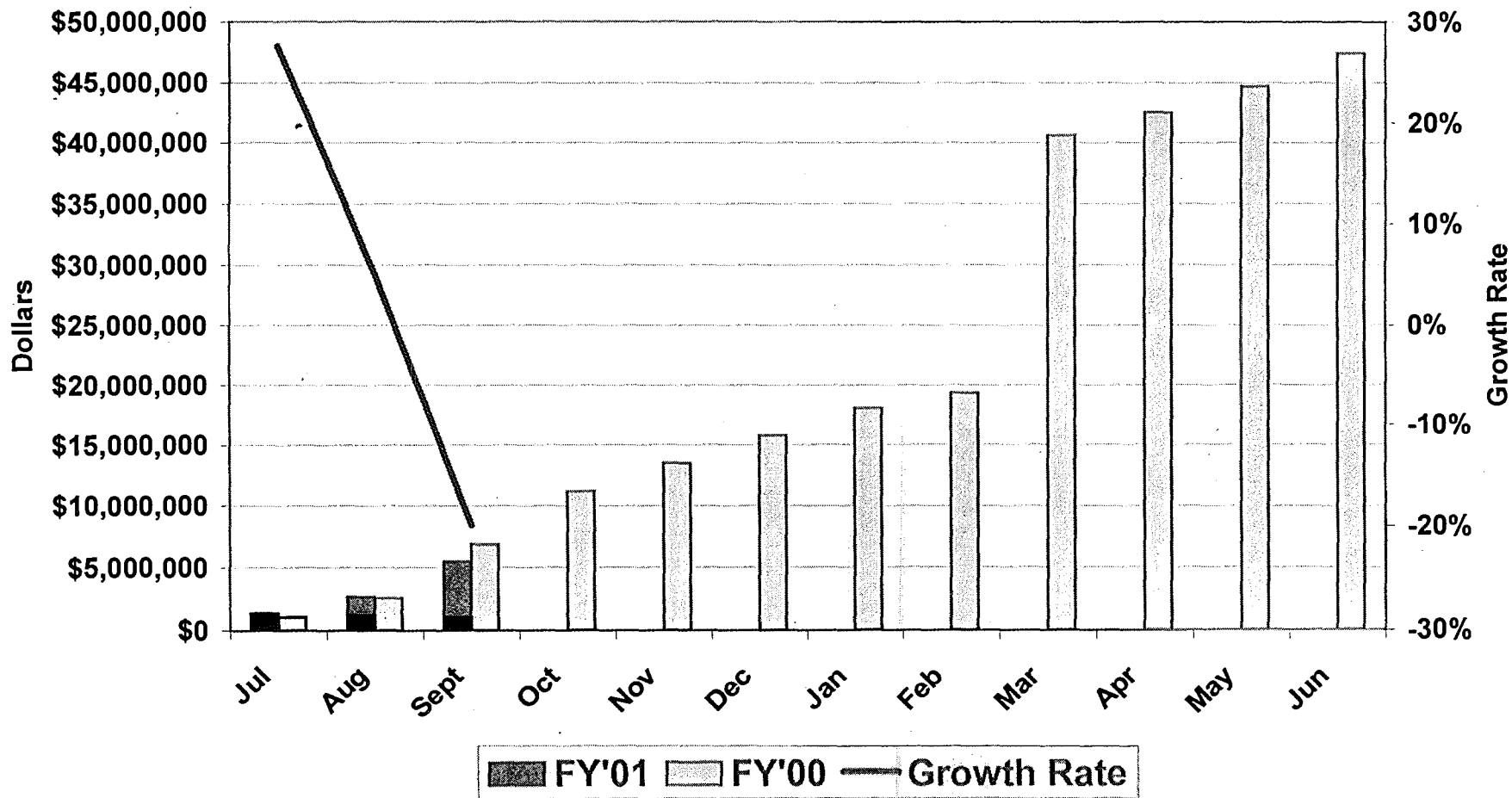
Maine Revenue Services
Corporate Income Tax Revenue

	FY'01 Actual	FY'01 Budget	FY'00 Actual	FY'99 Actual	FY'01 Actual vs. Budget	FY'01 Budget vs. FY'00 Actual	FY'01 Actual vs. FY'00 Actual	FY'00 Actual vs. FY'99 Actual
Jul	\$3,934,267	\$3,338,107	\$3,321,499	\$5,926,964	17.9%	0.5%	18.4%	-44.0%
Aug	\$673,440	-\$4,766,337	-\$9,205,311	\$3,022,705	114.1%	48.2%	107.3%	-404.5%
Sept	\$15,973,570	\$23,162,842	\$39,738,669	\$20,007,234	-31.0%	-41.7%	-59.8%	98.6%
Oct	\$0	\$7,207,649	\$7,768,805	\$5,046,837	-100.0%	-7.2%	-100.0%	53.9%
Nov	\$0	\$1,778,850	\$1,681,339	\$1,413,369	-100.0%	5.8%	-100.0%	19.0%
Dec	\$0	\$18,041,522	\$35,040,088	\$14,188,932	-100.0%	-48.5%	-100.0%	147.0%
Jan	\$0	\$2,057,180	\$1,238,715	\$1,256,992	-100.0%	66.1%	-100.0%	-1.5%
Feb	\$0	\$2,670,230	\$948,274	\$934,041	-100.0%	181.6%	-100.0%	1.5%
Mar	\$0	\$19,343,807	\$25,263,891	\$18,933,428	-100.0%	-23.4%	-100.0%	33.4%
Apr	\$0	\$13,630,339	\$10,476,863	\$12,710,994	-100.0%	30.1%	-100.0%	-17.6%
May	\$0	\$3,637,434	\$9,947,433	\$2,023,134	-100.0%	-63.4%	-100.0%	391.7%
Jun	\$0	\$22,700,643	\$23,825,380	\$59,478,121	-100.0%	-4.7%	-100.0%	-59.9%
=====								
Total	\$20,581,277	\$112,802,266	\$150,045,645	\$144,942,751	-81.8%	-24.8%	-86.3%	3.5%
=====								
YTD Sept.	\$20,581,277	\$21,734,612	\$33,854,857	\$28,956,903	-5.3%	-35.8%	-39.2%	16.9%
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Corporate Estimated Payments Year-to-Date FY'01 & FY'00



Corporate Final Payments Year-to-Date FY'01 & FY'00



Maine Revenue Services

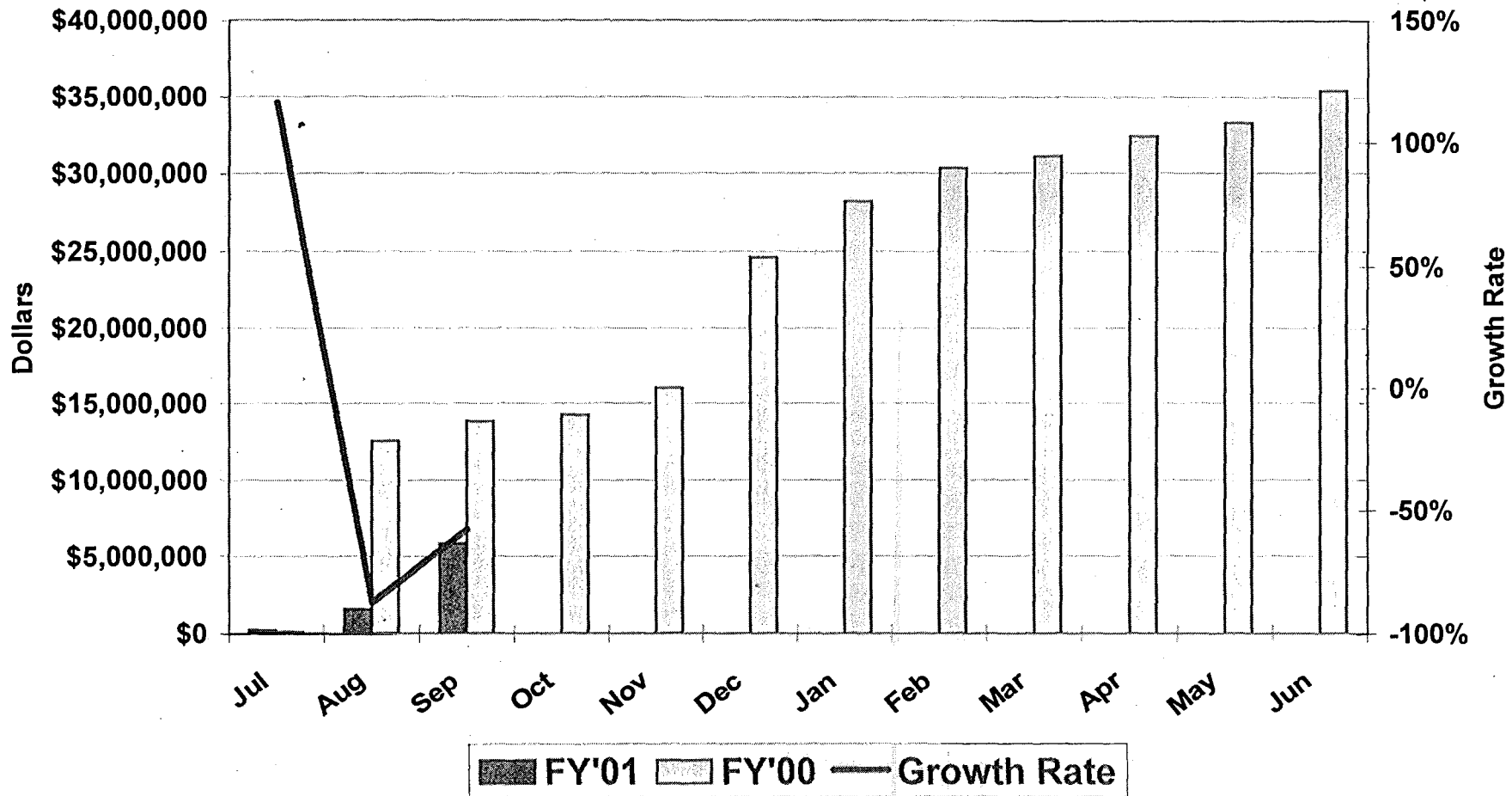
Corporate Income Tax Estimated Payments

	Month			Year-To-Date		
	FY'01	FY'00	Growth Rate	FY'01	FY'00	Growth Rate
Jul	\$3,990,837	\$2,813,386	41.9%	\$3,990,837	\$2,813,386	41.9%
Aug	\$2,318,888	\$1,458,405	59.0%	\$6,309,725	\$4,271,791	47.7%
Sept	\$17,589,875	\$36,763,603	-52.2%	\$23,899,600	\$41,035,394	-41.8%
Oct	\$0	\$3,859,183	-100.0%	\$23,899,600	\$44,894,577	-46.8%
Nov	\$0	\$1,084,852	-100.0%	\$23,899,600	\$45,979,429	-48.0%
Dec	\$0	\$41,243,714	-100.0%	\$23,899,600	\$87,223,143	-72.6%
Jan	\$0	\$2,627,529	-100.0%	\$23,899,600	\$89,850,672	-73.4%
Feb	\$0	\$1,974,044	-100.0%	\$23,899,600	\$91,824,716	-74.0%
Mar	\$0	\$4,925,332	-100.0%	\$23,899,600	\$96,750,048	-75.3%
Apr	\$0	\$10,653,934	-100.0%	\$23,899,600	\$107,403,982	-77.7%
May	\$0	\$7,962,869	-100.0%	\$23,899,600	\$115,366,851	-79.3%
Jun	\$0	\$20,660,234	-100.0%	\$23,899,600	\$136,027,085	-82.4%

Corporate Income Tax Final Payments and Back Taxes

	Month			Year-To-Date		
	FY'01	FY'00	Growth Rate	FY'01	FY'00	Growth Rate
Jul	\$1,403,826	\$1,100,009	27.6%	\$1,403,826	\$1,100,009	27.6%
Aug	\$1,286,401	\$1,456,822	-11.7%	\$2,690,227	\$2,556,831	5.2%
Sept	\$2,774,945	\$4,268,371	-35.0%	\$5,465,172	\$6,825,202	-19.9%
Oct	\$0	\$4,350,297	-100.0%	\$5,465,172	\$11,175,499	-51.1%
Nov	\$0	\$2,343,265	-100.0%	\$5,465,172	\$13,518,764	-59.6%
Dec	\$0	\$2,255,172	-100.0%	\$5,465,172	\$15,773,936	-65.4%
Jan	\$0	\$2,265,565	-100.0%	\$5,465,172	\$18,039,501	-69.7%
Feb	\$0	\$1,303,881	-100.0%	\$5,465,172	\$19,343,382	-71.7%
Mar	\$0	\$21,286,720	-100.0%	\$5,465,172	\$40,630,102	-86.5%
Apr	\$0	\$1,906,471	-100.0%	\$5,465,172	\$42,536,573	-87.2%
May	\$0	\$2,164,083	-100.0%	\$5,465,172	\$44,700,656	-87.8%
Jun	\$0	\$2,711,062	-100.0%	\$5,465,172	\$47,411,718	-88.5%

Corporate Income Tax Refunds Year-to-Date FY'01 & FY'00



Maine Revenue Services
Corporate Income Tax Refunds

	Month			Year-to-Date			Growth Rate
	FY'01 Actual	FY'01 Budget	FY'00 Actual	FY'01 Actual	FY'01 Budget	FY'00 Actual	
Jul	\$214,148	\$125,059	\$99,090	\$214,148	\$125,059	\$99,090	116%
Aug	\$1,384,984	\$5,495,465	\$12,433,299	\$1,599,132	\$5,620,524	\$12,532,389	-87%
Sep	\$4,225,052	\$1,889,095	\$1,286,522	\$5,824,184	\$7,509,619	\$13,818,911	-58%
Oct	\$0	\$1,091,281	\$429,288	\$5,824,184	\$8,600,900	\$14,248,199	-59%
Nov	\$0	\$2,270,895	\$1,751,376	\$5,824,184	\$10,871,795	\$15,999,575	-64%
Dec	\$0	\$7,134,022	\$8,601,300	\$5,824,184	\$18,005,817	\$24,600,875	-76%
Jan	\$0	\$4,925,301	\$3,583,376	\$5,824,184	\$22,931,118	\$28,184,251	-79%
Feb	\$0	\$194,741	\$2,129,265	\$5,824,184	\$23,125,859	\$30,313,516	-81%
Mar	\$0	\$953,605	\$767,666	\$5,824,184	\$24,079,464	\$31,081,182	-81%
Apr	\$0	\$3,791,996	\$1,321,726	\$5,824,184	\$27,871,460	\$32,402,908	-82%
May	\$0	\$2,624,410	\$893,879	\$5,824,184	\$30,495,870	\$33,296,787	-83%
Jun	\$0	\$239,800	\$2,106,740	\$5,824,184	\$30,735,670	\$35,403,527	-84%

Corporate Income Tax: General Fund Baseline Forecast FY01 - FY05

	FY00	FY01	Biennium	FY02	FY03	Biennium	FY04	FY05	Biennium
Actuals & February, 2000 Forecast /1	\$150,045,645	\$112,983,316	\$263,028,961	\$114,524,136	\$115,879,783	\$230,403,919	\$0	\$0	\$0
Growth Rate		-24.7%		1.4%	1.2%	-12.4%			
Technical Adjustments to Prior Forecast /2	\$0	\$619,480	\$619,480	\$658,559	\$829,791	\$1,488,350	\$0	\$0	\$0
FY 2000 Receipts	\$0	\$5,220,718	\$5,220,718	\$5,504,035	\$5,913,787	\$11,417,821	\$0	\$0	\$0
TY 1998 Data & FY 2001 Receipts	\$0	(\$4,601,239)	(\$4,601,239)	(\$4,845,475)	(\$5,083,996)	(\$9,929,471)	\$0	\$0	\$0
Economic Assumptions /3	\$0	\$189,988	\$189,988	\$709,955	(\$265,974)	\$443,981	\$116,453,265	\$117,052,543	\$233,505,809
Enacted Legislation /4	\$0	(\$244,352)	(\$244,352)	\$282,236	\$268,179	\$550,414	\$265,497	\$262,842	\$528,339
Total Adjustments to Prior Forecast	\$0	\$565,115	\$565,115	\$1,650,750	\$831,995	\$2,482,745	\$116,718,762	\$117,315,385	\$234,034,148
New Forecast	\$150,045,645	\$113,548,431	\$263,594,076	\$116,174,886	\$116,711,778	\$232,886,664	\$116,718,763	\$117,315,386	\$234,034,148
Growth Rate	3.5%	-24.3%		2.3%	0.5%	-11.6%	0.0%	0.5%	0.5%

1/ February, 2000 forecast with FY00 actual.

2/ Technical adjustments refer to all changes in the forecast that are not related to changes from new economic assumptions. Examples of technical changes may be new data, model updates and changes, and court cases that affect revenues.

3/ This line shows the incremental change in baseline revenues as a result of a new economic forecast.

4/ This line shows the incremental change in baseline revenues as a result of legislation passed by the 119th Legislature

Cigarette & Tobacco Taxes

10/12/00

Maine Revenue Services
Cigarette and Tobacco Tax Forecast
October 2000

	FY'00	FY'01	FY'02	FY'03	FY'04	FY'05
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Cigarette Tax

Budget (Actual FY'00)	\$74,933,325	\$72,223,486	\$71,460,187	\$72,174,789		
		-3.6%	-1.1%	1.0%		
New forecast		\$74,200,000	\$73,600,000	\$72,900,000	\$72,200,000	\$71,500,000
			-0.8%	-1.0%	-1.0%	-1.0%
Change		\$1,976,514	\$2,139,813	\$725,211		

Tobacco Products Tax

Budget (Actual FY'00)	\$3,409,846	\$2,568,144	\$2,542,463	\$2,517,039		
		-24.7%	-1.0%	-1.0%		
New forecast		\$3,266,005	\$3,347,655	\$3,431,346	\$3,517,130	\$3,605,058
		-4.2%	2.5%	2.5%	2.5%	2.5%
Change		\$697,861	\$805,192	\$914,307		

Total Cigarette & Tobacco Taxes

Budget (Actual FY'00)	\$78,343,171	\$74,791,630	\$74,002,650	\$74,691,828		
			-1.1%	0.9%		
New forecast		\$77,466,005	\$76,947,655	\$76,331,346	\$75,717,130	\$75,105,058
			-0.7%	-0.8%	-0.8%	-0.8%
Change		\$2,674,375	\$2,945,005	\$1,639,518		
Change biennium '02-'03				\$4,584,523		

Maine Revenue Services
Cigarette Tax

CIGARETTE TAX RECEIPTS - ACTUAL VS BUDGET FY 2000

Month	Actual	Budget	Difference	Cum Diff
July	\$5,918,306	\$6,122,358	(\$204,052)	(\$204,052)
August	\$8,354,620	\$7,520,615	\$834,005	\$629,953
September	\$5,995,566	\$5,630,403	\$365,163	\$995,116
Year-To-Date	\$20,268,492	\$19,273,376	\$995,116	
October	\$5,495,902	\$6,376,793	(\$880,891)	\$114,225
November	\$5,047,639	\$5,388,521	(\$340,882)	(\$226,657)
December	\$6,097,451	\$6,789,799	(\$692,348)	(\$919,005)
January	\$6,300,769	\$5,250,250	\$1,050,519	\$131,514
February	\$6,112,552	\$4,999,511	\$1,113,041	\$1,244,555
March	\$5,932,885	\$5,388,776	\$544,109	\$1,788,664
April	\$5,576,248	\$5,703,104	(\$126,856)	\$1,661,808
May	\$7,185,982	\$6,598,899	\$587,083	\$2,248,891
June	\$6,915,404	\$7,205,680	(\$290,276)	\$1,958,615
Total	\$74,933,324	\$72,974,709	\$1,958,615	

CIGARETTE TAX RECEIPTS - ACTUAL VS BUDGET FY 2001

Month	Actual	Budget	Difference	Cum Diff
July	\$5,437,358	\$6,059,459	(\$622,101)	(\$622,101)
August	\$8,529,808	\$7,441,850	\$1,087,958	\$465,857
September	\$5,467,856	\$5,572,558	(\$104,702)	\$361,155
Year-To-Date	\$19,435,022	\$19,073,867	\$361,155	
October	\$0	\$6,311,280	(\$6,311,280)	(\$5,950,125)
November	\$0	\$5,333,160	(\$5,333,160)	(\$11,283,285)
December	\$0	\$6,720,042	(\$6,720,042)	(\$18,003,327)
January	\$0	\$5,196,311	(\$5,196,311)	(\$23,199,638)
February	\$0	\$4,948,148	(\$4,948,148)	(\$28,147,786)
March	\$0	\$5,333,414	(\$5,333,414)	(\$33,481,200)
April	\$0	\$5,644,512	(\$5,644,512)	(\$39,125,712)
May	\$0	\$6,531,104	(\$6,531,104)	(\$45,656,816)
June	\$0	\$7,131,648	(\$7,131,648)	(\$52,788,464)
Total	\$19,435,022	\$72,223,486	(\$52,788,464)	

Cigarette Tax Receipts

FY'98	FY'99	FY'100
\$71,721,183	\$78,358,953	\$74,933,325
	9.3%	-4.4%

Maine Revenue Services
Tobacco Products Tax

TOBACCO PRODUCTS TAXES - ACTUAL VS BUDGET FY 2000

Month	Actual	Budget	Difference	Cum Diff
July	260,843	226,173	34,670	34,670
August	287,480	219,731	67,749	102,419
September	265,878	219,146	46,732	149,151
Year-To-Date	814,201	665,050	149,151	
October	348,103	226,994	121,109	270,260
November	305,256	233,035	72,221	342,481
December	249,674	251,490	(1,816)	340,665
January	249,137	195,660	53,477	394,142
February	256,802	202,076	54,726	448,868
March	284,174	211,753	72,421	521,289
April	160,010	217,938	(57,928)	463,361
May	303,995	186,769	117,226	580,587
June	438,494	429,078	9,416	590,003
Total	3,409,846	2,819,843	590,003	

TOBACCO PRODUCTS TAXES - ACTUAL VS BUDGET FY 2001

Month	Actual	Budget	Difference	Cum Diff
July	211,260	222,357	(11,097)	(11,097)
August	118,946	(7,476)	126,422	115,325
September	265,153	215,450	49,703	165,028
Year-To-Date	595,359	430,331	165,028	
October	0	223,165	(223,165)	(58,137)
November	0	229,104	(229,104)	(287,241)
December	0	247,248	(247,248)	(534,489)
January	0	192,360	(192,360)	(726,849)
February	0	198,667	(198,667)	(925,516)
March	0	208,181	(208,181)	(1,133,697)
April	0	214,262	(214,262)	(1,347,959)
May	0	183,619	(183,619)	(1,531,578)
June	0	441,207	(441,207)	(1,972,785)
Total	595,359	2,568,144	(1,972,785)	

Tobacco Products Tax Receipts

FY'96	FY'97	FY'98	FY'99	FY'00
\$2,612,480	\$2,671,255	\$2,649,059	\$2,891,201	\$3,409,846
	2.2%	-0.8%	9.1%	17.9%
Total FY'00 less accrual				\$3,186,346
				10.2%

Cigarette Tax Stamp Sales - Calendar Years 1997- 2000

	<u>1999</u>	<u>2000</u>	<u>% Change from 1999</u>	<u>% Change from 1998</u>	<u>% Change from 1997</u>
January	7,535,000	5,950,000	-21.04%	-27.17%	-32.54%
February	7,700,000	8,465,000	9.94%	-1.34%	-9.48%
March	9,705,000	8,305,000	-14.43%	-5.14%	-16.94%
April	6,365,000	7,975,000	25.29%	-19.12%	-12.59%
May	10,225,000	9,710,000	-5.04%	10.38%	-13.46%
June	9,415,000	9,740,000	3.45%	-4.84%	-16.90%
July	9,790,000	9,020,000	-7.87%	-14.74%	-22.04%
August	10,040,000	10,030,000	-0.10%	-0.25%	-7.86%
September	8,760,000	7,800,000	-10.96%	-25.00%	-10.70%
October	8,075,000	0	-100.00%	-100.00%	-100.00%
November	9,115,000	0	-100.00%	-100.00%	-100.00%
December	9,375,000	0	-100.00%	-100.00%	-100.00%
Total	79,535,000	76,995,000	-3.19%	-9.88%	-15.78%

Cigarette and Tobacco Tax: General Fund Baseline Forecast FY01 - FY05

	FY00	FY01	Biennium	FY02	FY03	Biennium	FY04	FY05	Biennium
Actuals & February, 2000 Forecast /1	\$78,343,171	\$74,793,880	\$153,137,051	\$74,004,878	\$74,694,033	\$148,698,911	\$0	\$0	\$0
Growth Rate		-4.5%		-1.1%	0.9%	-2.9%			
Technical Adjustments to Prior Forecast /2	\$0	\$2,672,125	\$2,672,125	\$2,942,777	\$1,637,312	\$4,580,089	\$75,719,318	\$75,107,229	\$150,826,547
Enacted Legislation /3	\$0	(\$2,250)	(\$2,250)	(\$2,228)	(\$2,206)	(\$4,434)	(\$2,188)	(\$2,171)	(\$4,359)
Total Adjustments to Prior Forecast	\$0	\$2,672,125	\$2,672,125	\$2,942,777	\$1,637,312	\$4,580,089	\$75,717,130	\$75,105,058	\$150,822,188
New Forecast	\$78,343,171	\$77,466,005	\$155,809,176	\$76,947,655	\$76,331,345	\$153,279,000	\$75,717,130	\$75,105,058	\$150,822,188
Growth Rate		-1.1%		-0.7%	-0.8%	-1.6%	-0.8%	-0.8%	-1.6%

1/ February, 2000 forecast with FY00 actual.

2/ Technical adjustments refer to all changes in the forecast that are not related to changes from new economic assumptions. Examples of technical changes may be new data, model updates and changes, and court cases that affect revenues.

3/ This line shows the incremental change in baseline revenues as a result of legislation passed by the 119th Legislature

Estate Taxes

Estate Tax: General Fund Baseline Forecast FY01 - FY05

	FY00	FY01	Biennium	FY02	FY03	Biennium	FY04	FY05	Biennium
Actuals & February, 2000 Forecast /1	\$58,803,666	\$32,545,221	\$91,348,887	\$34,191,578	\$35,907,325	\$70,098,903	\$0	\$0	\$0
Growth Rate		-44.7%		5.1%	5.0%	-23.3%			
Technical Adjustments to Prior Forecast /2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Economic Assumptions /3	\$0	\$0	\$0	\$0	\$0	\$0	\$37,702,691	\$39,587,826	\$77,290,517
Enacted Legislation /4	\$0	\$208,750	\$208,750	\$219,188	\$230,147	\$449,335	\$241,654	\$253,737	\$495,391
Total Adjustments to Prior Forecast	\$0	\$208,750	\$208,750	\$219,188	\$230,147	\$449,335	\$37,944,346	\$39,841,563	\$77,785,908
New Forecast	\$58,803,666	\$32,753,971	\$91,557,637	\$34,410,766	\$36,137,472	\$70,548,238	\$37,944,346	\$39,841,563	\$77,785,908
Growth Rate	97.5%	-44.3%		5.1%	5.0%	-22.9%	5.0%	5.0%	10.3%

1/ February, 2000 forecast with FY00 actual.

2/ Technical adjustments refer to all changes in the forecast that are not related to changes from new economic assumptions. Examples of technical changes may be new data, model updates and changes, and court cases that affect revenues.

3/ This line shows the incremental change in baseline revenues as a result of a new economic forecast.

4/ This line shows the incremental change in baseline revenues as a result of legislation passed by the 119th Legislature

Other General Fund Revenues

Maine Revenue Services
 Insurance Premiums Tax
 October 2000

	FY'00	FY'01	FY'02	FY'03	FY'04	FY'05
Budget (Actual '00)	\$42,094,751	\$36,059,839	\$35,699,241	\$35,342,248		
		-14.3%	-1.0%	-1.0%		
New Forecast		\$39,425,839	\$42,813,241	\$40,342,248	\$41,350,804	\$42,384,574
		-6.3%	8.6%	-5.8%	2.5%	2.5%
Change		\$3,366,000	\$7,114,000	\$5,000,000		
Change biennium '02-'03				\$12,114,000		

Insurance Premiums Tax
(thousands of dollars)

Month	FY 95 Actual	FY 96 Actual	FY 97 Actual	FY 98 Actual	FY 99 Actual	FY 00 Actual	FY 01 Actual
July	\$968.55	\$1,107.50	\$1,642.26	\$40.74	\$111.29	\$397.05	\$1,230.92
August	\$355.79	\$13.95	\$0.00	(\$134.82)	\$111.87	(\$64.95)	\$22.82
September	\$15.34	\$9.55	\$22.67	\$132.43	\$184.21	\$372.83	\$45.33
Y-T-DATE	\$1,339.68	\$1,131.00	\$1,664.92	\$38.34	\$407.37	\$704.93	\$1,299.07
October	\$3,715.76	\$4,060.34	\$4,039.74	\$5,203.70	\$3,378.92	\$4,229.01	\$0.00
November	\$2,771.37	\$1,353.38	\$1,686.68	\$1,367.37	\$2,521.00	\$1,728.97	\$0.00
December	\$9.40	\$70.97	\$11.07	\$2.62	\$3.49	(\$2.20)	\$0.00
January	\$31.83	\$1.93	\$74.00	\$3.69	(\$21.32)	(\$8.96)	\$0.00
February	\$1,131.28	\$831.47	\$1,118.36	\$734.70	\$148.96	\$547.23	\$0.00
March	\$5,783.47	\$6,133.48	\$7,338.70	\$7,389.78	\$8,447.71	\$8,980.74	\$0.00
April	\$5,919.06	\$8,603.29	\$8,031.50	\$7,434.22	\$5,048.11	\$5,385.20	\$0.00
May	\$4,787.11	\$2,781.11	\$3,725.01	\$5,058.07	\$6,298.79	\$7,228.76	\$0.00
June	\$9,897.89	\$9,966.03	\$11,414.32	\$11,431.26	\$10,853.26	\$13,301.08	\$0.00
Total	\$35,386.86	\$34,932.99	\$39,104.29	\$38,663.75	\$37,086.30	\$42,094.75	\$1,299.07
% Change		-1%	12%	-1%	-4%	14%	-97%

Maine Revenue Services
October 2000 Forecast

	FY'00	FY'01	FY'02	FY'03	FY'04	FY'05
Real Estate Transfer Tax General Fund						
Budget (Actual FY'00)	\$9,320,476	\$8,176,140	\$8,339,663	\$8,506,456		
		-12.3%	2.0%	2.0%		
New forecast		\$8,285,478	\$7,931,428	\$7,866,529	\$7,787,864	\$7,709,985
			-4.3%	-0.8%	-1.0%	-1.0%
Change		\$109,338	-\$408,235	-\$639,927		

**Real Estate Transfer Tax
H.O.M.E. Fund**

Budget (Actual FY'00)	\$9,316,253	\$8,176,140	\$8,339,663	\$8,506,456		
		-12.2%	2.0%	2.0%		
New forecast		\$8,285,478	\$7,931,428	\$7,866,529	\$7,787,864	\$7,709,985
			-4.3%	-0.8%	-1.0%	-1.0%
Change		\$109,338	-\$408,235	-\$639,927		

Commercial Forestry Excise Tax

Budget (Actual FY'00)	\$3,078,166	\$3,100,815	\$3,160,815	\$3,224,815		
		0.7%	1.9%	2.0%		
New forecast		\$3,100,815	\$3,146,000	\$3,193,000	\$3,240,000	\$3,289,000
Change		\$0	-\$14,815	-\$31,815		

Telecommunications Property Tax

Budget (Actual FY'00)	\$15,420,982	\$29,000,000	\$29,000,000	\$29,000,000		
New forecast		\$29,400,000	\$29,700,000	\$28,900,000	\$28,000,000	\$27,100,000
Change		\$400,000	\$700,000	-\$100,000		

Maine Revenue Services
Real Estate Transfer Tax

Real Estate Transfer Tax - General Fund - 0170

FY'00

Month	Actual	Budget	Difference	Cum Diff
July	1,479,701	960,450	519,251	519,251
Aug	474,064	861,634	(387,570)	131,681
Sept	648,601	913,845	(265,244)	(133,563)
Year-to-Date	2,602,366	2,735,929	(133,563)	
Oct	969,212	925,300	43,912	(89,651)
Nov	730,712	634,877	95,835	6,184
Dec	691,445	563,155	128,290	134,474
Jan	646,870	514,103	132,767	267,241
Feb	475,914	478,460	(2,546)	264,695
Mar	431,685	489,576	(57,891)	206,804
Apr	609,847	516,026	93,821	300,625
May	567,263	551,825	15,438	316,063
June	1,595,162	1,425,200	169,962	486,025
Total	9,320,476	8,834,451	486,025	

Real Estate Transfer Tax - General Fund - 0170

FY'01

Month	Actual	Budget	Difference	Cum Diff
July	999,582	834,434	165,148	165,148
Aug	(125,775)	(107,183)	(18,592)	146,556
Sept	874,732	673,382	201,350	347,906
Year-to-Date	1,748,539	1,400,633	347,906	
Oct	0	733,468	(733,468)	(385,562)
Nov	0	783,489	(783,489)	(1,169,051)
Dec	0	562,353	(562,353)	(1,731,404)
Jan	0	685,271	(685,271)	(2,416,675)
Feb	0	439,259	(439,259)	(2,855,934)
Mar	0	462,225	(462,225)	(3,318,159)
Apr	0	690,369	(690,369)	(4,008,528)
May	0	823,991	(823,991)	(4,832,519)
June	0	1,595,082	(1,595,082)	(6,427,601)
Total	1,748,539	8,176,140	(6,427,601)	

Real Estate Transfer Tax Receipts

	FY'96	FY'97	FY'98	FY'99	FY'00
Total	9,391,378	10,981,255	12,904,438	15,998,902	18,636,729
% Change		17%	18%	24%	16%
General Fund	6,901,702	8,415,756	9,636,434	12,022,820	9,320,476
H.O.M.E. Fund	2,489,676	2,565,499	3,268,004	3,976,082	9,316,253
			Total FY'00 less accrual		16,966,729
			% Change		6%

FY'00	FY'01	FY'02	FY'03	FY'04	FY'05
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Railroad Companies Tax General Fund
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Budget (Actual FY'00)	\$365,949	\$400,000	\$400,000	\$400,000		
New forecast		\$400,000	\$400,000	\$400,000	\$400,000	\$400,000
Change		\$0	\$0	\$0		

Railroad Companies Tax Other Special Revenue

Budget (Actual FY'00)	\$150,000	\$150,000	\$150,000	\$150,000		
New forecast		\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
Change		\$0	\$0	\$0		

Aeronautical Gas/Jet Fuel Tax

Budget (Actual FY'00)	\$999,110	\$841,000	\$845,000	\$849,000		
New forecast		\$1,000,000	\$1,050,000	\$1,100,000	\$1,150,000	\$1,200,000
Change		\$159,000	\$205,000	\$251,000		

Mahogany Quahog Tax General Fund

Budget (Actual FY'00)	\$60,694	\$40,000	\$40,000	\$40,000		
New forecast		\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
Change		\$20,000	\$20,000	\$20,000		

Surplus Lines Insurance Tax

Forecast (Actual '00)	\$500,288	\$512,795	\$525,615	\$538,755	\$552,224	\$566,030
		2.5%	2.5%	2.5%	2.5%	2.5%

**Maine Revenue Services
Commercial Forestry Excise Tax - General Fund**

FY'95	3,124,398
FY'96	3,894,224
FY'97	2,728,065
FY'98	3,325,828
FY'99	3,093,662
FY'00	3,078,166

Railroad Companies Tax

	General Fund	Other Special Revenue	TOTAL
FY'95	402,670	150,000	552,670
FY'96	373,466	150,000	523,466
FY'97	341,048	150,000	491,048
FY'98	424,436	150,000	574,436
FY'99	346,701	150,000	496,701
FY'00	365,949	150,000	515,949

Telecommunications Property Tax - General Fund

FY'95	27,504,608
FY'96	28,479,703
FY'97	28,259,462
FY'98	28,910,458
FY'99	29,324,167
FY'00	15,420,982

Maine Revenue Services
Mahogany Quahog Tax - General Fund

FY'95	10,377
FY'96	19,083
FY'97	28,194
FY'98	44,122
FY'99	54,605
FY'00	60,694

Aeronautical Gas/Jet Fuel Tax - General Fund

FY'89	669,281
FY'90	982,074
FY'91	898,659
FY'92	787,870
FY'93	743,174
FY'94	1,135,682
FY'95	577,138
FY'96	802,505
FY'97	709,073
FY'98	779,236
FY'99	907,481
FY'00	999,110

Surplus Lines Insurance Tax - General Fund

FY'95	348,688
FY'96	351,379
FY'97	347,655
FY'98	362,374
FY'99	485,218
FY'00	500,288

Highway Fund Revenues

10/17/00

Maine Revenue Services
Motor Fuel Tax Forecast - Highway Fund
October 2000

	FY'00	FY'01	FY'02	FY'03	FY'04	FY'05
Budget (Actual '00)	\$174,691,007	\$176,311,407	\$178,261,803	\$180,249,278		
		0.9%	1.1%	1.1%		
Model forecast		\$177,200,000	\$179,700,000	\$182,300,000	\$184,900,000	\$187,700,000
		1.4%	1.4%	1.4%	1.4%	1.5%
Accrual adjustment		\$434,606	\$176,344	\$178,107	\$179,888	\$181,687
New forecast		\$177,634,606	\$179,876,344	\$182,478,107	\$185,079,888	\$187,881,687
		1.7%	1.3%	1.4%	1.4%	1.5%
Change		\$1,323,199	\$1,614,541	\$2,228,829		
Change biennium '02-'03				\$3,843,370		

Special Fuel Tax

ACTUAL VS BUDGET RECEIPTS FY 2000

MONTH	ACTUAL	BUDGET	DIFF	Y-T-D DIFF
July	797,730	843,354	(45,624)	(45,624)
August	(1,411,230)	(1,973,905)	562,675	517,051
September	2,637,701	2,518,947	118,754	635,805
Y-T-DATE	2,024,201	1,388,396	635,805	
October	2,418,319	3,292,667	(874,348)	(238,543)
November	2,634,455	2,789,666	(155,211)	(393,754)
December	3,741,635	3,097,933	643,702	249,948
January	2,597,730	2,937,132	(339,402)	(89,454)
February	2,856,853	2,229,588	627,265	537,812
March	2,768,619	2,342,531	426,088	963,900
April	2,986,125	3,076,487	(90,362)	873,538
May	2,189,871	2,008,482	181,389	1,054,927
June	7,345,020	7,003,327	341,693	1,396,620
Total	31,562,829	30,166,209	1,396,620	

Special Fuel Tax

ACTUAL VS BUDGET RECEIPTS FY 2001

MONTH	ACTUAL	BUDGET	DIFF	Y-T-D DIFF
July	3,851,047	2,409,012	1,442,035	1,442,035
August	(557,199)	(335,633)	(221,566)	1,220,469
September	2,848,443	2,514,155	334,288	1,554,757
Y-T-DATE	6,142,291	4,587,534	1,554,757	
October	0	2,305,049	(2,305,049)	(750,292)
November	0	2,506,699	(2,506,699)	(3,256,991)
December	0	3,561,257	(3,561,257)	(6,818,248)
January	0	2,472,049	(2,472,049)	(9,290,297)
February	0	2,731,953	(2,731,953)	(12,022,250)
March	0	2,634,101	(2,634,101)	(14,656,351)
April	0	2,841,899	(2,841,899)	(17,498,250)
May	0	2,083,523	(2,083,523)	(19,581,773)
June	0	6,409,581	(6,409,581)	(25,991,354)
Total	6,142,291	32,133,645	(25,991,354)	

ALL GAS TAX ACCTS - ACTUAL VS BUDGET RECEIPTS FY 2000

MONTH	ACTUAL	BUDGET	DIFF	Y-T-D DIFF
July	10,691,134	10,542,443	148,691	148,691
August	1,782,925	1,716,296	66,629	215,320
September	14,012,371	14,403,633	(391,262)	(175,942)
Y-T-DATE	26,486,430	26,662,372	(175,942)	
October	12,381,870	11,757,742	624,128	448,186
November	12,237,823	11,651,196	586,627	1,034,813
December	10,908,946	11,628,499	(719,553)	315,260
January	12,098,246	11,595,436	502,810	818,070
February	10,352,661	11,014,909	(662,248)	155,822
March	11,426,478	10,759,490	666,988	822,810
April	11,031,995	10,828,261	203,734	1,026,544
May	10,541,703	10,898,528	(356,825)	669,719
June	25,662,027	24,277,481	1,384,546	2,054,265
Total	143,128,179	141,073,914	2,054,265	

ALL GAS TAX ACCTS - ACTUAL VS BUDGET RECEIPTS FY 2001

MONTH	ACTUAL	BUDGET	DIFF	Y-T-D DIFF
July	11,306,122	12,412,470	(1,106,348)	(1,106,348)
August	1,043,935	989,248	54,687	(1,051,661)
September	12,937,213	14,050,021	(1,112,808)	(2,164,469)
Y-T-DATE	25,287,270	27,451,739	(2,164,469)	
October	0	12,415,140	(12,415,140)	(14,579,609)
November	0	12,270,706	(12,270,706)	(26,850,315)
December	0	10,938,257	(10,938,257)	(37,788,572)
January	0	12,130,754	(12,130,754)	(49,919,326)
February	0	10,380,480	(10,380,480)	(60,299,806)
March	0	11,457,181	(11,457,181)	(71,756,987)
April	0	11,061,638	(11,061,638)	(82,818,625)
May	0	10,570,029	(10,570,029)	(93,388,654)
June	0	25,501,838	(25,501,838)	(118,890,492)
Total	25,287,270	144,177,762	(118,890,492)	



ANGUS S. KING, JR.
GOVERNOR

STATE OF MAINE
MAINE REVENUE SERVICES
(FORMERLY BUREAU OF TAXATION)
24 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0024

JANET E. WALDRON
COMMISSIONER OF
ADMINISTRATIVE & FINANCIAL SERVICES

ANTHONY J. NEVES
EXECUTIVE DIRECTOR

October 20, 2000

Dear Committee Members:

Attached are the materials that we will be presenting at the Revenue Forecasting Committee (RFC) meeting next Tuesday. Based on revenue collections through September and the new economic forecast from the Consensus Economic Forecasting Committee (CEFC), we recommend that the General Fund forecast be adjusted up by \$23.4 million in FY01 and \$16.6 million for the 2002-03 biennium. A summary of each of the significant recommendations follow.

Economic Forecast: Our analysis uses the economic forecast provided to the RFC by the CEFC on October 2, 2000. The forecast is based on a July estimate of Maine's 1999 personal income growth by the Bureau of Economic Analysis (BEA). In July, BEA estimated that Maine's 1999 personal income growth was 6.2%. The CEFC assumes that Maine's economy will slow in 2001, resulting in personal income growth of 5.5% in 2001 and 5% growth in all future years in the budget window. Since the CEFC meeting BEA has revised the 1999 estimate down to a growth rate of only 5%. The revised estimate for 1999 combined with an assumption that the economy will cool in 2001 makes the forecast for personal income growth in 2001 and beyond questionable.

Sales & Use Tax: Through September the sales tax line is over budget by \$6.1 million (+3.7%). It's clear from the taxable sales data that consumer expenditures in Maine have moderated, especially in the building supply and automobile/transportation sectors. Strong growth in tourism related sectors has more than offset the moderation in other sectors to create the slight surplus through the first quarter of the fiscal year.

The new economic forecast has a significant impact on the sales & use tax revenue forecast. The stronger personal income growth for 2000 and 2001 relative to the January forecast results in a recommendation that the sales tax line be reprojected up by \$33 million in the next biennium. An interesting aside about this amount is that it essentially covers the reduction in sales tax revenue from the repeal of the "snack tax". The recommended change for FY01 is \$19.5 million. Most of this change (\$10 million) is from an adjustment to the amount that needs to be accrued at the end of FY01.

Individual Income Tax: The individual income tax ended FY00 under budget by \$24 million (-2.2%). Based on incomplete information we believe that the deficit in FY00 is because of an overstatement of tax year 1999 liability. We estimate that the February forecast overstated tax year 1999 liability by \$16 million. We believe most of this error in the estimate of non-resident liability.

Through the first three months of the fiscal year the individual income tax line is over budget by \$6.5 million (3.2%). About half of the current surplus is from the timing of refunds. Refunds that we expected in the first

part of FY01 were actually processed in FY00, contributing to the deficit in that fiscal year. Since the February forecast, the two major sources of individual income tax revenue, withholding and estimated payments, have been very close to budget.

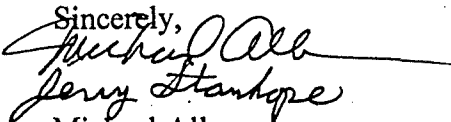
The new economic forecast increases individual income tax revenues by about \$7 million per fiscal year, however this not enough to offset the adjustment for the overstatement of tax year 1999 liability. The end result is a recommendation that the individual income tax line be adjusted down by \$36.5 million in the upcoming biennium. The recommended change for FY01 is much smaller because of an adjustment to the end-of-year accrual and the timing and level of tax cuts enacted during the last legislative session.

Corporate Income Tax: We are recommending very little change for the corporate income tax line, although we have some concerns about this line going forward. Higher than expected refunds during the last two months and lower than expected estimated payments in September have resulted in corporate income taxes being slightly under budget through the first three months of the fiscal year. Based on processing of returns and refunds made through mid October we anticipate that this line will be under budget this month as well. We recommend waiting to see how the December estimated payments come in before the RFC considers reprojecting this line down.

Insurance Companies Tax: Recent changes in Maine's insurance market are expected to increase the insurance premiums tax by approximately \$5 to \$6 million per year. This is a significant change for a revenue line that historically has generated less than \$40 million a year. The insurance market in Maine is undergoing many changes that admittedly we do not fully understand. We believe the recommended change in the insurance premiums tax is a prudent one at this time, and will continue to monitor the changes taking place in marketplace to better inform the RFC during future deliberations.

If you need any further information, please feel free to contact us.

Sincerely,



Michael Allen

Jerry Stanhope

Cc: Commissioner Waldron

Galen Rose

Julie Jones

Paul Dube



REVENUE FORECASTING COMMITTEE

October 24, 2000

**Maine Revenue Services
Research Division**

APPENDIX C

**Revenue Forecasting Committee
November 7, 2000 Meeting**

**Revenue Forecasting Committee Recommended Revenue Projections for
FY2000-2001**

Source	FY98 Actual	FY99 Actual	% Chg.	FY00 Actual	% Chg.	FY01 Budget	% Chg.	Recom. Chg.	FY01 Reproject	% Chg.
Sales and Use Tax /1	\$833,755,683	\$791,726,882	-5.0%	\$847,355,132	7.0%	\$815,578,103	-3.8%	\$17,621,897	\$833,200,000	2.2%
Individual Income Tax /2	\$907,981,057	\$1,004,457,157	10.6%	\$1,074,621,614	7.0%	\$1,131,245,580	5.3%	(\$9,931,421)	\$1,121,314,159	-0.9%
Corporate Income Tax	\$107,375,485	\$144,942,751	35.0%	\$150,045,645	3.5%	\$112,742,179	-24.9%	\$806,252	\$113,548,431	0.7%
Cigarette and Tobacco Tax /3	\$45,524,322	\$77,750,154	70.8%	\$78,343,171	0.8%	\$74,791,630	-4.5%	\$2,674,375	\$77,466,005	3.6%
Public Utilities Tax	\$29,334,895	\$29,670,868	1.1%	\$15,786,931	-46.8%	\$29,400,000	86.2%	\$400,000	\$29,800,000	1.4%
Insurance Companies Tax	\$39,153,287	\$37,742,517	-3.6%	\$42,698,686	13.1%	\$36,499,839	-14.5%	\$3,438,795	\$39,938,634	9.4%
Estate Tax	\$34,335,598	\$29,768,114	-13.3%	\$58,803,666	97.5%	\$32,753,971	-44.3%	\$0	\$32,753,971	0.0%
Property Tax - Unorg. Territory	\$8,725,314	\$9,372,051	7.4%	\$9,333,204	-0.4%	\$9,213,301	-1.3%	\$0	\$9,213,301	0.0%
Income from Investments	\$12,145,209	\$19,760,828	62.7%	\$20,312,457	2.8%	\$23,926,086	17.8%	\$0	\$23,926,086	0.0%
Transfer to Municipal Rev. Sharing	(\$94,304,723)	(\$98,997,466)	5.0%	(\$105,673,142)	6.7%	(\$105,037,859)	-0.6%	(\$433,333)	(\$105,471,192)	0.4%
Transfer from Liquor Commission	\$20,546,162	\$19,794,778	-3.7%	\$23,226,758	17.3%	\$20,477,758	-11.8%	\$0	\$20,477,758	0.0%
Transfer from Lottery Commission	\$40,742,121	\$39,600,544	-2.8%	\$38,138,174	-3.7%	\$37,975,384	-0.4%	\$0	\$37,975,384	0.0%
Other Revenues	\$126,545,597	\$131,534,093	3.9%	\$142,224,510	8.1%	\$126,851,637	-10.8%	\$288,338	\$127,139,975	0.2%
Total Revenue Available	\$2,111,860,007	\$2,237,123,271	5.9%	\$2,395,216,806	7.1%	\$2,346,417,609	-2.0%	\$14,864,903	\$2,361,282,512	0.6%

1/ FY99 actual is reduced by \$22,595,032 to account for sales tax revenue transferred to Rainy Day Fund/Sales Tax Reserve.

2/ Includes in FY98 actual \$137,245,402 transferred to the Tax Relief Fund for Maine Residents.

3/ \$28,845,919 credited to the Tobacco Tax Relief Fund in FY98.

**Revenue Forecasting Committee Recommended Revenue Projections for
FY2002-2003 and FY2004-2005**

Source	FY02 Budget	% Chg.	Recom. Chg.	FY02 Reproject	% Chg.	FY03 Budget	% Chg.	Recom. Chg.	FY03 Reproject	% Chg.	FY04 Recom.	% Chg.	FY05 Recom.	% Chg.
Sales and Use Tax	\$847,618,160	1.7%	\$13,281,840	\$860,900,000	1.6%	\$892,137,814	5.3%	\$15,192,186	\$907,330,000	1.7%	\$956,400,000	5.4%	\$1,008,500,000	5.4%
Individual Income Tax /1	\$1,223,914,126	9.1%	(\$15,992,309)	\$1,207,921,817	-1.3%	\$1,306,447,691	6.7%	(\$11,967,830)	\$1,294,479,861	-0.9%	\$1,379,611,506	6.6%	\$1,468,046,018	6.4%
Corporate Income Tax	\$114,771,225	1.1%	\$1,403,661	\$116,174,886	1.2%	\$116,112,648	1.2%	\$599,130	\$116,711,778	0.5%	\$116,718,763	0.0%	\$117,315,386	0.5%
Cigarette and Tobacco Tax /2	\$74,002,650	-4.5%	\$2,945,005	\$76,947,655	4.0%	\$74,691,827	0.9%	\$1,639,518	\$76,331,345	2.2%	\$75,717,130	-0.8%	\$75,105,058	-0.8%
Public Utilities Tax	\$29,400,000	-1.3%	\$700,000	\$30,100,000	2.4%	\$28,325,926	-3.7%	\$974,074	\$29,300,000	3.4%	\$28,400,000	-3.1%	\$27,500,000	-3.2%
Insurance Companies Tax	\$36,139,241	-9.5%	\$7,199,615	\$43,338,856	19.9%	\$35,782,248	-1.0%	\$5,098,755	\$40,881,003	14.2%	\$41,903,028	2.5%	\$42,950,604	2.5%
Estate Tax	\$34,410,766	5.1%	\$0	\$34,410,766	0.0%	\$36,137,472	5.0%	\$0	\$36,137,472	0.0%	\$37,944,346	5.0%	\$39,841,563	5.0%
Property Tax - Unorg. Territory	\$8,352,274	-9.3%	\$0	\$8,352,274	0.0%	\$8,557,218	2.5%	\$0	\$8,557,218	0.0%	\$8,771,148	2.5%	\$8,990,427	2.5%
Income from Investments	\$23,926,086	0.0%	\$0	\$23,926,086	0.0%	\$23,926,086	0.0%	\$0	\$23,926,086	0.0%	\$23,926,086	0.0%	\$23,926,086	0.0%
Transfer to Municipal Rev. Sharing	(\$111,501,479)	5.7%	\$66,647	(\$111,434,832)	-0.1%	(\$118,049,606)	5.9%	(\$194,998)	(\$118,244,604)	0.2%	(\$125,089,244)	5.8%	(\$132,286,932)	5.8%
Transfer from Liquor Commission	\$20,493,439	0.1%	\$0	\$20,493,439	0.0%	\$20,493,439	0.0%	\$0	\$20,493,439	0.0%	\$0	-100.0%	\$0	ERR
Transfer from Lottery Commission	\$37,975,384	0.0%	\$0	\$37,975,384	0.0%	\$37,975,384	0.0%	\$0	\$37,975,384	0.0%	\$0	-100.0%	\$0	ERR
Other Revenues	\$124,659,059	-2.0%	(\$198,050)	\$124,461,009	-0.2%	\$124,961,938	0.2%	(\$400,742)	\$124,561,196	-0.3%	\$0	-100.0%	\$0	ERR
Total Revenue Available	\$2,464,160,931	4.4%	\$9,406,409	\$2,473,567,340	0.4%	\$2,587,500,085	5.0%	\$10,940,093	\$2,598,440,178	0.4%	\$2,544,302,763	-2.1%	\$2,679,888,211	5.3%
								\$20,346,502						

Maine Consensus Economic Forecasting Commission
Forecast of Oct. 30, 2000

	History					Forecast						
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
	Rate or Annual Growth Rate											
CPI-u	-	2.8%	3.0%	2.3%	1.6%	2.2%	3.0%	2.5%	2.5%	2.5%	2.5%	2.5%
Me. Unemployment Rate	7.4	5.7	5.1	5.4	4.4	4.1	3.4	3.8	4.3	4.6	4.8	4.9
3-Month Treasury Bill Rate	4.2%	5.5%	5.0%	5.1%	4.8%	4.6%	6.0%	6.1%	5.7%	5.3%	5.0%	4.7%
10-Year Treasury Note Rate	7.4%	6.9%	6.7%	6.6%	5.6%	5.9%	6.1%	6.4%	6.5%	6.2%	6.0%	5.8%
Maine Agricultural Empl.(1,000's)	14.5	14.4	14.3	13.8	16.1	13.4	14.0	14.0	14.0	14.0	14.0	14.0
	Employment Levels (1,000's)											
Maine Wage & Salary Employment	531.1	538.1	542.5	553.7	569.2	585.8	600.3	606.6	614.5	622.3	630.2	638.0
Mining	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Construction	21.0	21.7	23.1	23.3	25.0	28.1	29.4	30.0	30.9	31.8	32.8	33.8
Manufacturing	91.4	91.0	88.3	87.8	87.1	86.1	85.9	85.4	85.0	84.3	83.7	83.1
Transp/Commun./Publ. Utils.	22.6	22.3	22.6	23.1	23.6	24.0	24.2	24.5	24.6	24.7	24.8	24.8
Wholesale Trade	23.9	25.1	25.8	26.0	26.4	27.3	28.2	28.6	29.0	29.6	29.9	30.2
Retail Trade	110.2	111.9	111.4	113.4	115.9	119.0	121.8	122.7	124.5	125.3	126.7	128.1
FIRE	26.3	26.0	27.1	28.4	29.7	31.0	30.7	30.6	30.7	30.8	30.8	30.9
Services	141.4	146.7	151.2	158.7	166.8	174.1	180.7	185.0	189.5	194.7	199.6	204.7
Government	94.2	93.3	92.8	93.0	94.6	96.1	99.1	99.8	100.3	101.0	101.8	102.3
	Annual Growth Rates											
Maine Wage & Salary Employment	-	1.3%	0.8%	2.1%	2.8%	2.9%	2.5%	1.1%	1.3%	1.3%	1.3%	1.3%
Mining	-	0.0%	-0.0%	0.0%	0.0%	-0.0%	-0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Construction	-	3.3%	6.7%	0.7%	7.4%	12.1%	5.0%	1.9%	3.0%	2.9%	3.1%	3.0%
Manufacturing	-	-0.4%	-3.0%	-0.6%	-0.8%	-1.1%	-0.3%	-0.6%	-0.5%	-0.8%	-0.7%	-0.7%
Transp/Commun./Publ. Utils.	-	-1.2%	1.4%	2.0%	2.0%	1.6%	1.2%	1.0%	0.6%	0.3%	0.2%	0.2%
Wholesale Trade	-	4.7%	2.9%	0.6%	1.9%	3.1%	3.6%	1.2%	1.5%	2.1%	1.0%	1.0%
Retail Trade	-	1.5%	-0.4%	1.8%	2.2%	2.7%	2.3%	0.7%	1.5%	0.6%	1.1%	1.1%
FIRE	-	-1.0%	3.9%	5.0%	4.6%	4.4%	-0.9%	-0.5%	0.3%	0.3%	0.2%	0.2%
Services	-	3.7%	3.1%	5.0%	5.1%	4.4%	3.8%	2.4%	2.4%	2.7%	2.5%	2.6%
Government	-	-0.9%	-0.5%	0.2%	1.8%	1.6%	3.1%	0.7%	0.5%	0.8%	0.7%	0.5%
	Million \$ - at Seas. Adjusted Annual Rates											
Personal income	24173.8	25046.3	26434.0	27774.5	29353.5	30828.3	32523.8	34312.6	36028.2	37829.7	39721.1	41707.2
Wage and salary disbursements	12408.5	12923.3	13456.5	14315.5	15253.5	16259.0	17270.1	18357.2	19419.2	20503.7	21648.0	22855.5
Other labor income	2121.8	2064.8	2104.0	2033.8	2047.5	2104.5	2146.6	2230.3	2305.8	2383.3	2462.7	2544.1
Non-farm Proprietors' income	1885.5	1791.8	1959.0	2052.0	2194.8	2373.0	2536.9	2676.4	2810.2	2950.7	3098.2	3253.2
plus: Dividends, interest, and rent	4346.75	4691	5037	5360.25	5689.75	5853.75	6082.0	6416.5	6737.3	7074.1	7427.9	7799.2
plus: Transfer payments	4053	4286.25	4568.75	4798	4957	5067	5301.4	5524.3	5728.5	5939.3	6156.8	6381.2
less: Personal contrb. for social insu	999.75	1050.75	1084.75	1145.25	1201.25	1287	1333.5	1406.8	1477.2	1551.0	1628.6	1710.0
plus: Adjustment for residence	140	183.25	208.25	240	279.25	300.5	325.2	343.1	360.3	378.3	397.2	417.1
Farm Income	145.5	113.75	145	95.25	127.25	149.5	130.1	102.9	72.1	75.7	79.4	83.4
	Annual Growth Rates											
Personal income	-	3.6%	5.5%	5.1%	5.7%	5.0%	5.5%	5.5%	5.0%	5.0%	5.0%	5.0%
Wage and salary disbursements	-	4.1%	4.1%	6.4%	6.6%	6.6%	6.2%	6.3%	5.8%	5.6%	5.6%	5.6%
Other labor income	-	-2.7%	1.9%	-3.3%	0.7%	2.8%	2.0%	3.9%	3.4%	3.4%	3.3%	3.3%
Non-farm Proprietors' income	-	-5.0%	9.3%	4.7%	7.0%	8.1%	6.9%	5.5%	5.0%	5.0%	5.0%	5.0%
plus: Dividends, interest, and rent	-	7.9%	7.4%	6.4%	6.1%	2.9%	3.9%	5.5%	5.0%	5.0%	5.0%	5.0%
plus: Transfer payments	-	5.8%	6.6%	5.0%	3.3%	2.2%	4.6%	4.2%	3.7%	3.7%	3.7%	3.6%
less: Personal contrb. for social insu	-	5.1%	3.2%	5.6%	4.9%	7.1%	3.6%	5.5%	5.0%	5.0%	5.0%	5.0%
plus: Adjustment for residence	-	30.9%	13.6%	15.2%	16.4%	7.6%	8.2%	5.5%	5.0%	5.0%	5.0%	5.0%
Farm Income	-	-21.8%	27.5%	-34.3%	33.6%	17.5%	-13.0%	-20.9%	-30.0%	5.0%	5.0%	5.0%

Individual Income Tax: Baseline Forecast FY01 - FY05

	FY00	FY01	Biennium	FY02	FY03	Biennium	FY04	FY05	Biennium
Actuals & February, 2000 Forecast /1	\$1,074,621,614	\$1,156,533,894	\$2,231,155,508	\$1,243,801,114	\$1,332,082,263	\$2,575,883,377	\$0	\$0	\$0
Growth Rate	7.0%	7.6%	16.7%	7.5%	7.1%	15.5%			
Technical Adjustments to Prior Forecast /2	\$0	(\$18,302,449)	(\$18,302,449)	(\$23,419,669)	(\$24,930,818)	(\$48,350,488)	\$0	\$0	\$0
TY1998 Liability /3	\$0	\$194,908	\$194,908	(\$3,034,092)	(\$957,565)	(\$3,991,657)	\$0	\$0	\$0
FY2000 Receipts & TY99 Liability /4	\$0	(\$18,497,357)	(\$18,497,357)	(\$20,385,577)	(\$23,973,253)	(\$44,358,830)	\$0	\$0	\$0
New Economic Assumptions /5	\$0	\$8,910,000 6.7%	\$8,910,000	\$7,380,000 7.0%	\$6,940,000 7.0%	\$14,320,000	\$1,403,481,445 6.8%	\$1,495,601,445 6.6%	\$2,899,082,889
Enacted Legislation /6	\$0	(\$18,717,286)	(\$18,717,286)	(\$22,001,628)	(\$26,041,584)	(\$48,043,212)	(\$32,869,938)	(\$39,715,427)	(\$72,585,365)
October 30, 2000 Economic Forecast	\$0	(\$7,110,000)	(\$7,110,000)	\$2,162,000	\$6,430,000	\$8,592,000	\$9,000,000	\$12,160,000	\$21,160,000
Total Adjustments to Prior Forecast	\$0	(\$35,219,735)	(\$35,219,735)	(\$35,879,297)	(\$37,602,402)	(\$73,481,700)	\$1,379,611,506	\$1,468,046,018	\$2,847,657,525
New Forecast	\$1,074,621,614	\$1,121,314,159	\$2,195,935,773	\$1,207,921,817	\$1,294,479,861	\$2,502,401,677	\$1,379,611,506	\$1,468,046,018	\$2,847,657,525
Growth Rate	7.0%	4.3%	14.8%	7.7%	7.2%	14.0%	6.6%	6.4%	13.8%

1/ February, 2000 forecast with FY00 actual.

2/ Technical adjustments refer to all changes in the forecast that are not related to changes from new economic assumptions. Examples of technical changes may be new data, model updates and changes, and court cases that affect revenues.

3/ Reflects the impact of final tax year 1998 state tax liability and IRS data on 1998 tax year.

4/ Reflects the impact of actual FY2000 tax receipts and adjustment to tax year 1999 forecast.

5/ This line shows the incremental change in baseline revenues as a result of the new economic forecast released by the Consensus Economic Forecasting Committee on February 4, 2000.

6/ This line shows the incremental change in baseline revenues as a result of legislation passed by the 119th Legislature

Comparison of Proposed Forecast with FY01 Actual Receipts

	FY01 <u>Forecast</u>	FY01 <u>Actual</u>	<u>Difference</u>
July	\$59,356,952	\$57,095,317	(\$2,261,635)
August	\$48,769,939	\$47,199,383	(\$1,570,556)
September	\$106,456,041	\$107,436,370	\$980,329
<u>October /1</u>	<u>\$77,431,497</u>	<u>\$75,155,596</u>	<u>(\$2,275,901)</u>
Total	\$292,014,429	\$286,886,666	(\$5,127,763)
November	\$81,766,584	\$0	
December	\$91,574,876	\$0	
January	\$156,239,155	\$0	
February	\$53,475,918	\$0	
March	\$14,491,643	\$0	
April	\$192,119,707	\$0	
May	\$92,456,507	\$0	
<u>June</u>	<u>\$147,175,341</u>	<u>\$0</u>	
Total	\$1,121,314,159	\$286,886,666	

1/ October actual is based on preliminary data and is subject to change.

Sales & Use Tax: Baseline Forecast FY01 - FY05

	FY00	FY01	Biennium	FY02	FY03	Biennium	FY04	FY05	Biennium
Actuals & February, 2000 Forecast /1	\$847,355,132	\$822,700,000	\$1,670,055,132	\$863,500,000	\$908,900,000	\$1,772,400,000	\$0	\$0	\$0
Growth Rate		-2.9%		5.0%	5.3%	6.1%			
Technical Adjustments to Prior Forecast /2	\$0	\$13,089,819	\$13,089,819	\$3,529,309	\$3,705,775	\$7,235,084	\$0	\$0	\$0
Economic Assumptions /3	\$0	\$6,410,182	\$6,410,182	\$11,970,691	\$13,924,225	\$25,894,916	\$976,300,000	\$1,029,600,000	\$2,005,900,000
Enacted Legislation /4	\$0	(\$7,100,000)	(\$7,100,000)	(\$15,900,000)	(\$16,800,000)	(\$32,700,000)	(\$17,100,000)	(\$18,000,000)	(\$35,100,000)
October 30, 2000 Economic Forecast	\$0	(\$1,900,000)	(\$1,900,000)	(\$2,200,000)	(\$2,400,000)	(\$4,600,000)	(\$2,800,000)	(\$3,100,000)	(\$5,900,000)
Total Adjustments to Prior Forecast	\$0	\$10,500,000	\$10,500,000	(\$2,600,000)	(\$1,570,000)	(\$4,170,000)	\$956,400,000	\$1,008,500,000	\$1,964,900,000
New Forecast	\$847,355,132	\$833,200,000	\$1,680,555,132	\$860,900,000	\$907,330,000	\$1,768,230,000	\$956,400,000	\$1,008,500,000	\$1,964,900,000
Growth Rate	7.0%	-1.7%		3.3%	5.4%	5.2%	5.4%	5.4%	11.1%

1/ February, 2000 forecast with FY00 actual.

2/ Technical adjustments refer to all changes in the forecast that are not related to changes from new economic assumptions. Examples of technical changes may be new data, model updates and changes, and court cases that affect revenues.

3/ This line shows the incremental change in baseline revenues as a result of a new economic forecast.

4/ This line shows the incremental change in baseline revenues as a result of legislation passed by the 119th Legislature